HOUSE BILL 1256

State of Washington 69th Legislature 2025 Regular Session

By Representatives Hill and Ormsby

Prefiled 01/10/25.

AN ACT Relating to products manufactured in the United States for the purposes of public works projects; amending RCW 39.04.010; adding new sections to chapter 39.04 RCW; and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 Sec. 1. RCW 39.04.010 and 2023 c 395 s 2 are each amended to 6 read as follows:

7 The definitions in this section apply throughout this chapter 8 unless the context clearly requires otherwise.

9 (1) "Authorized local government" means a political subdivision 10 of the state, school district, or special purpose district with 11 public works authority.

12 (2) "Award" means the formal decision by the state or 13 municipality notifying a responsible bidder with the lowest 14 responsive bid of the state's or municipality's acceptance of the bid 15 and intent to enter into a contract with the bidder.

16 (3) "Contract" means a contract in writing for the execution of 17 public work for a fixed or determinable amount duly awarded after 18 advertisement and competitive bid, or a contract awarded under the 19 small works roster process in RCW 39.04.151 through 39.04.154.

20 (4) <u>"Manufactured product" means: Articles, materials, or</u> 21 <u>supplies that have been: (i) Processed into a specific form and</u>

shape; or (ii) combined with other articles, materials, or supplies 1 to create a product with different properties that the individual 2 articles, materials, or supplies. If an item is classified as an iron 3 or steel product, a construction material, or a section 70917(c) 4 material as defined in Title 2, Part 184 of the Code of Federal 5 6 Regulations as it existed on December 1, 2024, then it is not a manufactured product for the purposes of this chapter. However, an 7 article, material, or supply classified as a manufactured product may 8 include components that are construction materials, iron or steel 9 10 products, or section 70917(c) materials.

(5) "Manufactured in the United States" means: (a) For iron or 11 12 steel products, all manufacturing processes, from the initial melting stage through the application of coatings, took place in the United 13 States; and (b) for a manufactured product: (i) The product was 14 manufactured in the United States; and (ii) the cost of the 15 components of the product that are mined, produced, or manufactured 16 17 in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard 18 that meets or exceeds this standard has been established under 19 applicable law or regulation for determining the minimum amount of 20 21 domestic content of the manufactured product.

22 (6) "Municipality" means every city, county, town, port district, 23 district, or other public agency authorized by law to require the 24 execution of public work, except drainage districts, diking 25 districts, diking and drainage improvement districts, drainage improvement districts, diking improvement districts, consolidated 26 27 diking and drainage improvement districts, consolidated drainage 28 improvement districts, consolidated diking improvement districts, irrigation districts, or other districts authorized by law for the 29 30 reclamation or development of waste or undeveloped lands.

(((5))) <u>(7)</u> "Public work" means 31 all work, construction, 32 alteration, repair, or improvement other than ordinary maintenance, 33 executed at the cost of the state or of any municipality, or which is by law a lien or charge on any property therein. All public works, 34 including maintenance when performed by contract shall comply with 35 chapter 39.12 RCW. "Public work" does not include work, construction, 36 alteration, repair, or improvement performed under contracts entered 37 into under RCW 36.102.060(4) or under development agreements entered 38 39 into under RCW 36.102.060(7) or leases entered into under RCW 40 36.102.060(8).

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1 (((-6))) (8) "Responsible bidder" means a contractor who meets the 2 criteria in RCW 39.04.350.

3 (((7))) <u>(9)</u> "Small business" means a business meeting 4 certification criteria for size, ownership, control, and personal net 5 worth adopted by the office of minority and women's business 6 enterprises in accordance with RCW 39.19.030.

7 (((8))) <u>(10)</u> "State" means the state of Washington and all 8 departments, supervisors, commissioners, and agencies of the state.

((((9))) <u>(11)</u> "State agency" means the department of enterprise 9 services, the state parks and recreation commission, the department 10 11 of natural resources, the department of fish and wildlife, the 12 department of transportation, any institution of higher education as defined under RCW 28B.10.016, and any other state agency delegated 13 authority by the department of enterprise services to engage in 14 construction, building, renovation, remodeling, alteration, 15 16 improvement, or repair activities.

17 <u>(12) "United States" means the United States of America,</u> 18 <u>including all territories, continental or insular, subject to the</u> 19 <u>jurisdiction of the United States.</u>

20 <u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 39.04 21 RCW to read as follows:

22 (1) The state, a school district, or a municipality entering into a contract for the construction, reconstruction, alteration, repair, 23 24 improvement, or maintenance of a public building or other public works project receiving more than \$500,000 of state funds in a state 25 capital budget or financed through a financing contract as defined in 26 27 RCW 39.94.020, must require that the iron, steel, aluminum, and manufactured products used or supplied in the performance of the 28 29 contract or any subcontract be manufactured in the United States, 30 unless otherwise exempted under this section.

31 (2)(a) The requirements of subsection (1) of this section may be 32 waived by the director of the office of financial management on 33 behalf of the state, a school district superintendent on behalf of a 34 school district, or the executive head of a municipality on behalf of 35 a municipality, if he or she determines that:

36 (i) Meeting the requirements would be inconsistent with the 37 public interest; 1 (ii) Such materials and products are not produced in the United 2 States in sufficient or reasonably available quantities and of 3 satisfactory quality; or

4 (iii) Inclusion of domestically produced material will increase 5 the cost of the overall project contract by more than 25 percent.

(b)(i) Prior to issuing a waiver under this subsection, the 6 7 director, superintendent, or executive head must provide public notice on the agency website of the proposed waiver and an 8 9 opportunity for public comment on the proposal for at least 30 days before making a final determination. The public notice must include 10 11 information used in making the decision to propose a waiver and the 12 public must be given the opportunity to provide comments 13 electronically.

14 (ii) The director, superintendent, or executive head must publish 15 on the agency website a detailed justification of the decision made 16 that addresses the public comments received. The publication must 17 take place prior to the waiver taking effect.

18 (3) This section applies to public works projects advertised for19 bids after the effective date of this section.

20 (4) For the purposes of this section, "municipality" means every 21 city, county, town, port district, district, or other public agency 22 authorized by law to require the execution of public work.

23 <u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 39.04 24 RCW to read as follows:

(1) A contract for a public works project must contain a provision that if a court or a federal or state agency determines that a party to the contract or subcontract intentionally:

(a) Affixed a label bearing a "Made in America" inscription, or
any inscription with the same meaning, to any iron, steel, aluminum,
or manufactured product used in public works projects subject to RCW
39.04.010, that was not manufactured in the United States, as defined
in RCW 39.04.010; or

33 (b) Represented that any iron, steel, aluminum, or manufactured 34 product used in public works projects subject to RCW 39.04.010 that 35 was not manufactured in the United States, was manufactured in the 36 United States;

37 that party shall be ineligible to bid or enter into any public works 38 contract or subcontract pursuant to debarment provisions provided 39 under this title. 1 (2) Such contracts must provide that in the case of any dispute 2 arising pertaining to the provisions of this section, the matter 3 shall be referred for arbitration to the director of the department 4 of labor and industries of the state and his or her decision shall be 5 final and conclusive and binding on all parties involved in the 6 dispute.

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SEVERABILITY

<u>NEW SECTION.</u> Sec. 4. If any part of this act is found to be in 8 9 conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state, the conflicting part of 10 this act is inoperative solely to the extent of the conflict and with 11 respect to the agencies directly affected, and this finding does not 12 affect the operation of the remainder of this act in its application 13 14 to the agencies concerned. Rules adopted under this act must meet 15 federal requirements that are a necessary condition to the receipt of 16 federal funds by the state.

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