

# HOUSE BILL REPORT

## HB 2814

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As Passed House  
February 11, 1994

**Title:** An act relating to nonprofit corporations purchasing through state contracts.

**Brief Description:** Allowing public benefit nonprofit corporations to participate in state contracts for purchases.

**Sponsors:** Representatives Anderson, Veloria, Caver, Wolfe, Romero and Dunshee; by request of Department of General Administration.

**Brief History:**

Reported by House Committee on:  
State Government, February 2, 1994, DP;  
Passed House, February 11, 1994, 95-0.

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### HOUSE COMMITTEE ON STATE GOVERNMENT

**Majority Report:** Do pass. Signed by 9 members: Representatives Anderson, Chair; Veloria, Vice Chair; Reams, Ranking Minority Member; L. Thomas, Assistant Ranking Minority Member; Campbell; Conway; Dyer; King and Pruitt.

**Staff:** Bonnie Austin (786-7135).

**Background:** The Office of State Procurement (OSP) is authorized to enter into purchasing agreements with local governments. These agreements are conducted under the Interlocal Cooperation Act. According to OSP, these agreements increase the volume of purchases made by OSP and thus increase the buying power of both the state and the local governments.

A public benefit nonprofit corporation is defined as a corporation that has tax exempt status and whose income is not distributable to its members, directors or officers.

**Summary of Bill:** The Office of State Procurement (OSP) is authorized to enter into agreements with public benefit nonprofit corporations that receive local, state or federal funds to participate in state purchasing contracts. These agreements must be in the form of an interlocal agreement.

**Fiscal Note:** Requested January 25, 1994.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** The increased purchase volumes resulting from including non-profits will enhance the state's market leverage and could reduce pricing and costs to all participants. It will also help conserve the resources of nonprofit organizations that receive public funding. Non-profit organizations already have access to the products and services of general administration's division of commodity redistribution.

**Testimony Against:** None.

**Witnesses:** Mike Ryherd, Community Action Agencies/Housing Congress (pro); John Pettit, University of Washington (pro); and John Franklin, Director of Department of General Administration (pro).