

HOUSE BILL REPORT

SSB 5733

As Passed House:

April 5, 2001

Title: An act relating to county road construction projects.

Brief Description: Adjusting day labor allowances for county road construction.

Sponsors: By Senate Committee on Transportation (originally sponsored by Senators Haugen, Morton and Rasmussen).

Brief History:

Committee Activity:

Transportation: 3/27/01, 3/29/01 [DP].

Floor Activity:

Passed House: 4/5/01, 96-1.

Brief Summary of Substitute Bill

- Statutory limits on annual day labor expenditures are increased for counties with a population of 50,000 or less.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 27 members: Representatives Fisher, Democratic Co-Chair; Mitchell, Republican Co-Chair; Cooper, Democratic Vice Chair; Ericksen, Republican Vice Chair; Hankins, Republican Vice Chair; Lovick, Democratic Vice Chair; Ahern, Anderson, Armstrong, G. Chandler, Edmonds, Haigh, Hatfield, Hurst, Jackley, Jarrett, Marine, Mielke, Morell, Ogden, Rockefeller, Romero, Schindler, Simpson, Skinner, Sump and Woods.

Staff: Paul Neal (786-7315).

Background:

Current law permits counties to utilize day labor to construct or improve county roads, if such costs total no more than the annual limits specified by statute. Day labor– means labor on county road and bridge projects performed by county employees rather than contractors. The annual limits on day labor expenditures by counties vary depending on

the total annual county road construction budget.

Summary of Bill:

Existing county day labor annual limits (DLL) are increased for counties with a population of less than 50,000 people.

The limitations are expressed in terms of annual expenditures and vary as a function of the counties annual road construction budget (ARCB):

- If the ARCB is \$4 million or more, the DLL is increased to the greater of \$880,000 or 25 percent of budget;
 - If the ARCB is \$1.5 million to \$4 million, the DLL is increased to the greater of \$575,000 or 30 percent of budget;
 - If the ARCB is \$500,000 to \$1.5 million, the DLL is increased to the greater of \$275,000 or 45 percent of budget; or
 - If the ARCB is less than \$500,000, the DLL is the greater of \$275,000 or \$35,000 per complete project.
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Appropriation: None.

Fiscal Note: Requested on February 19, 2001.

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

Testimony For: This bill would give small counties more flexibility in managing their road construction budgets to get the most value for their expenditures. In smaller counties contracting out sometimes means hiring contractors from outside the county. Increasing the day labor limit will keep more dollars in the county.

Testimony Against: Contracting out leads to better prices and more innovation. Some of the costs of using county employees are hidden.

Testified: (Supports) Paul Bennett, Kittitas County; Ted Hopkins, Lincoln County; and Craig Vejraska, Okanogan County.

(Concerns) Rick Slunaker, Associated General Contractors; and Larry Archer, Operating Engineers.