

# SENATE BILL REPORT

## SHB 2517

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As Reported by Senate Committee On:  
Financial Institutions, Housing & Insurance, February 23, 2010

**Title:** An act relating to the exemption of housing authorities from laws governing the construction, alteration, repair, or improvement of property by other public bodies.

**Brief Description:** Exempting housing authorities from certain state requirements when certain federal law requirements are applicable.

**Sponsors:** House Committee on Local Government & Housing (originally sponsored by Representatives Dammeier and Haigh).

**Brief History:** Passed House: 2/11/10, 97-0.

**Committee Activity:** Financial Institutions, Housing & Insurance: 2/17/10, 2/23/10 [DP].

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

**Majority Report:** Do pass.

Signed by Senators Berkey, Chair; Hobbs, Vice Chair; Franklin, McDermott, Parlette and Schoesler.

**Staff:** Alison Mendiola (786-7483)

**Background:** State law authorizes cities and counties to create a local housing authority (Housing Authority), which is considered a public body for the purpose of addressing housing issues within the community, especially those affecting low income and elderly persons. Specifically, a Housing Authority may be created to address a number of housing issues, including: the existence of unsafe or unsanitary housing conditions; the shortage of affordable, safe, and sanitary housing for low-income persons; and the shortage of appropriate, affordable housing for senior citizens.

The powers granted to a Housing Authority include the power to: enter into contracts, partnerships, and joint ventures; sue and be sued; create, acquire, operate, manage, and/or lease housing projects; invest surplus funds; investigate, study, or examine housing conditions within its jurisdiction; sell property; and participate in the organization or operation of a nonprofit entity whose purpose is to provide housing to low income persons.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The 2005 Legislature created the Capital Projects Advisory Review Board (CPARB) under ESHB 1830 (RCW 39.10) to review alternative public works contracting procedures and provide guidance to state policymakers on ways to further enhance the quality, efficiency, and accountability of public works contracting methods.

Under RCW 39.12, a contractor is required to pay the prevailing wage as determined by the Department of Labor and Industries for all public works contracts.

The Davis-Bacon Act of 1931 is a federal law which establishes the requirement for paying prevailing wages on public works projects. Federal government construction contracts, and most contracts for federally assisted construction must include provisions for paying workers on-site no less than the locally prevailing wage and benefits paid on similar projects, as determined by the federal Department of Labor.

**Summary of Bill:** A Housing Authority is subject to CPARB except when alternative requirements or procedures under federal law or regulation require otherwise.

A Housing Authority is subject to state prevailing wage requirements except when specifically preempted by federal law or regulation.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: This is a good bill that eliminates confusion as to what laws apply to housing authorities in the area of procurement and prevailing wage. This bill has been well worked and is agreed upon.

**Persons Testifying:** PRO: Representative Dammeier, prime sponsor; Megan Hyla, King County Housing Authority.