

SENATE BILL REPORT

HB 1268

As of March 18, 2013

Title: An act relating to local government purchasing.

Brief Description: Regarding local government purchasing.

Sponsors: Representatives Springer, Parker, Morrell, Kochmar, Upthegrove, Goodman, Zeiger, Freeman, Ryu and Fey.

Brief History: Passed House: 2/27/13, 62-35.

Committee Activity: Governmental Operations: 3/14/13.

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Staff: Sam Thompson (786-7413)

Background: For major purchases from private suppliers, local governments including counties, cities, towns, and special purpose districts, must generally award contracts to the lowest bidder. However, when seeking to purchase supplies, materials, or equipment, local governments authorized to impose sales, use, and business and occupation taxes may consider the revenue from those taxes that they would receive if they purchased the items from local suppliers. After considering this revenue, the local government must award the contract to the lowest bidder.

Summary of Bill: A local government authorized to impose sales, use, and business and occupation taxes may award a contract for supplies, materials, or equipment to a bidder submitting the lowest bid before taxes are applied. The local government must provide notice of its intent to award a contract based on this method prior to bids being submitted.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

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.

Staff Summary of Public Testimony: PRO: This permissive legislation would allow, not require, local governments to award contracts based on lowest bids before local taxes are applied, enabling them to support businesses and jobs in their communities. If this legislation is enacted, Kirkland may spend an additional \$500,000 in the city, bringing in only about \$4,000 in local tax revenue, but more importantly boosting the local economy.

Persons Testifying: PRO: Representative Springer, prime sponsor; Jim Richards, City of Kirkland.