
ENGROSSED SUBSTITUTE SENATE BILL 5110

State of Washington

63rd Legislature

2013 Regular Session

By Senate Governmental Operations (originally sponsored by Senators Tom, Murray, Hill, and McAuliffe)

READ FIRST TIME 02/01/13.

1 AN ACT Relating to local government purchasing of supplies,
2 materials, or equipment; and amending RCW 39.30.040.

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

4 **Sec. 1.** RCW 39.30.040 and 1989 c 431 s 58 are each amended to read
5 as follows:

6 (1) Whenever a unit of local government is required to make
7 purchases from the lowest bidder or from the supplier offering the
8 lowest price for the items desired to be purchased, the unit of local
9 government may, at its option when awarding a purchase contract, take
10 into consideration tax revenue it would receive from purchasing the
11 supplies, materials, or equipment from a supplier located within its
12 boundaries. The unit of local government must award the purchase
13 contract to the lowest bidder after such tax revenue has been
14 considered. However, any local government may allow for preferential
15 purchase of products made from recycled materials or products that may
16 be recycled or reused. ~~((The tax revenues which units of local
17 government may consider include sales taxes that the unit of local
18 government imposes upon the sale of such supplies, materials, or
19 equipment from the supplier to the unit of local government, and~~

1 ~~business and occupation taxes that the unit of local government imposes~~
2 ~~upon the supplier that are measured by the gross receipts of the~~
3 ~~supplier from such sale.))~~ Any unit of local government which
4 considers tax revenue((§)) it would receive from the imposition of
5 taxes upon a supplier located within its boundaries(~~(, shall)~~) must
6 also consider tax revenue((§)) it would receive from taxes it imposes
7 upon a supplier located outside its boundaries.

8 (2) (~~As used in this section, the term~~) A unit of local
9 government may award a contract to a bidder submitting the lowest bid
10 before taxes are applied. The unit of local government must provide
11 notice of its intent to award a contract based on this method prior to
12 bids being submitted. For the purposes of this subsection (2), "taxes"
13 means only those taxes that are included in "tax revenue" as defined in
14 this section.

15 (3) The definitions in this subsection apply throughout this
16 section unless the context clearly requires otherwise.

17 (a) "Tax revenue" means sales taxes that units of local government
18 impose upon the sale of supplies, materials, or equipment from the
19 supplier to units of local government, and business and occupation
20 taxes that units of local government impose upon the supplier that are
21 measured by the gross receipts of the supplier from the sale.

22 (b) "Unit of local government" means any county, city, town,
23 metropolitan municipal corporation, public transit benefit area, county
24 transportation authority, or other municipal or quasi-municipal
25 corporation authorized to impose sales and use taxes or business and
26 occupation taxes.

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