

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2427

Chapter 95, Laws of 2016

64th Legislature
2016 Regular Session

LOCAL GOVERNMENTS--MODERNIZATION

EFFECTIVE DATE: 6/9/2016

Passed by the House March 10, 2016
Yeas 96 Nays 1

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate March 4, 2016
Yeas 45 Nays 3

BRAD OWEN

President of the Senate

Approved March 31, 2016 11:02 AM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2427** as passed by House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

April 1, 2016

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2427

AS AMENDED BY THE SENATE

Passed Legislature - 2016 Regular Session

State of Washington 64th Legislature 2016 Regular Session

By House Local Government (originally sponsored by Representatives Springer, Stokesbary, Fitzgibbon, Muri, Appleton, and Kilduff)

READ FIRST TIME 02/05/16.

1 AN ACT Relating to local government modernization; amending RCW
2 19.360.020, 19.360.030, 19.360.040, 19.360.050, 19.360.060,
3 36.62.252, 36.32.235, 36.32.245, 35.58.585, and 36.57A.030; and
4 creating a new section.

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

6 NEW SECTION. **Sec. 1.** Local governments must be efficient and
7 prudent stewards of our residents' tax resources. To best serve our
8 communities, certain local government statutes must be amended to
9 reflect technological and organizational change. It is the intent of
10 the legislature to clarify current authorities so that local
11 government can better serve their residents, and it is the intent of
12 the legislature that the following sections allow local government to
13 pursue modern methods of serving their residents while preserving the
14 public's right to access public records, and judiciously using scarce
15 county resources to achieve maximum benefit.

16 **Sec. 2.** RCW 19.360.020 and 2015 c 72 s 2 are each amended to
17 read as follows:

18 (1) Unless specifically provided otherwise by law or agency rule,
19 whenever the use of a written signature is authorized or required by
20 this code with a state or local agency, an electronic signature may

1 be used with the same force and effect as the use of a signature
2 affixed by hand, as long as the electronic signature conforms to the
3 definition in RCW 19.360.030 and the writing conforms to RCW
4 19.360.040.

5 (2) Except as otherwise provided by law, each state or local
6 agency may determine whether, and to what extent, the agency will
7 send and accept electronic records and electronic signatures to and
8 from other persons and otherwise create, generate, communicate,
9 store, process, use, and rely upon electronic records and electronic
10 signatures. Nothing in this act requires a state or local agency to
11 send or accept electronic records or electronic signatures when a
12 writing or signature is required by statute.

13 (3) Except as otherwise provided by law, for governmental affairs
14 and governmental transactions with state agencies, each state agency
15 electing to send and accept shall establish the method that must be
16 used for electronic submissions and electronic signatures. The method
17 and process for electronic submissions and the use of electronic
18 signatures must be established by policy or rule and be consistent
19 with the policies, standards, or guidance established by the chief
20 information officer required in subsection (4) of this section.

21 (4)(a) The chief information officer, in coordination with state
22 agencies, must establish standards, guidelines, or policies for the
23 electronic submittal and receipt of electronic records and electronic
24 signatures for governmental affairs and governmental transactions.
25 The standards, policies, or guidelines must take into account
26 reasonable access by and ability of persons to participate in
27 governmental affairs or governmental transactions and be able to rely
28 on transactions that are conducted electronically with agencies.
29 Through the standards, policies, or guidelines, the chief information
30 officer should encourage and promote consistency and interoperability
31 among state agencies.

32 (b) In order to provide a single point of access, the chief
33 information officer must establish a web site that maintains or links
34 to the agency rules and policies established pursuant to subsection
35 (3) of this section.

36 (5) Except as otherwise provided by law, for governmental affairs
37 and governmental transactions with local agencies, each local agency
38 electing to send and accept shall establish the method that must be
39 used for electronic submissions and electronic signatures. The method
40 and process for electronic submissions and the use of electronic

1 signatures must be established by ordinance, resolution, policy, or
2 rule. The local agency shall also establish standards, guidelines, or
3 policies for the electronic submittal and receipt of electronic
4 records and electronic signatures for governmental affairs and
5 governmental transactions. The standards, policies, or guidelines
6 must take into account reasonable access by and ability of persons to
7 participate in governmental affairs or governmental transactions and
8 be able to rely on transactions that are conducted electronically
9 with agencies.

10 **Sec. 3.** RCW 19.360.030 and 2015 c 72 s 3 are each amended to
11 read as follows:

12 (1) Unless specifically provided otherwise by law or rule or
13 unless the context clearly indicates otherwise, whenever the term
14 "signature" is used in this code for governmental affairs and is
15 authorized by state or local agency ordinance, resolution, rule, or
16 policy pursuant to RCW 19.360.020, the term includes an electronic
17 signature as defined in subsection (2) of this section.

18 (2) "Electronic signature" means an electronic sound, symbol, or
19 process attached to or logically associated with a contract or other
20 record and executed or adopted by a person with the intent to sign
21 the record.

22 **Sec. 4.** RCW 19.360.040 and 2015 c 72 s 4 are each amended to
23 read as follows:

24 (1) Unless specifically provided otherwise by law or rule or
25 unless the context clearly indicates otherwise, whenever the term
26 "writing" is used in this code for governmental affairs and is
27 authorized by state or local agency ordinance, resolution, rule, or
28 policy pursuant to RCW 19.360.020, the term means a record.

29 (2) "Record," as used in subsection (1) of this section, means
30 information that is inscribed on a tangible medium or that is stored
31 in an electronic or other medium and is retrievable in perceivable
32 form, except as otherwise defined for the purpose of state or local
33 agency record retention, preservation, or disclosure.

34 **Sec. 5.** RCW 19.360.050 and 2015 c 72 s 5 are each amended to
35 read as follows:

36 (1) Unless specifically provided otherwise by law or rule or
37 unless the context clearly indicates otherwise, whenever the term

1 "mail" is used in this code and authorized by state or local agency
2 ordinance, resolution, rule, or policy pursuant to RCW 19.360.020 to
3 transmit a writing with a state or local agency, the term includes
4 the use of mail delivered through an electronic system such as email
5 or secure mail transfer if authorized by the state agency in rule.

6 (2) For the purposes of this section, "electronic" means relating
7 to technology having electrical, digital, magnetic, wireless,
8 optical, electromagnetic, or similar capabilities.

9 **Sec. 6.** RCW 19.360.060 and 2015 c 72 s 6 are each amended to
10 read as follows:

11 For purposes of RCW 19.360.020 through 19.360.050, "state agency"
12 means any state board, commission, bureau, committee, department,
13 institution, division, or tribunal in the executive branch of state
14 government, including statewide elected offices and institutions of
15 higher education created and supported by the state government.
16 "Local agency" means every county, city, town, municipal corporation,
17 quasi-municipal corporation, special purpose district, or other local
18 public agency.

19 **Sec. 7.** RCW 36.62.252 and 1984 c 26 s 20 are each amended to
20 read as follows:

21 Every county which maintains a county hospital or infirmary shall
22 establish a "county hospital fund" into which fund shall be deposited
23 all unrestricted moneys received from any source for hospital or
24 infirmary services including money received for services to
25 recipients of public assistance and other persons without income and
26 resources sufficient to secure such services. The county may maintain
27 other funds for restricted moneys. Obligations incurred by the
28 hospital shall be paid from such funds by the county treasurer in the
29 same manner as general county obligations are paid, except that in
30 counties where a contract has been executed in accordance with RCW
31 36.62.290, warrants may be issued by the hospital administrator for
32 the hospital, if authorized by the county legislative authority and
33 the county treasurer. The county treasurer shall furnish to the
34 county legislative authority a monthly report of receipts and
35 disbursements in the county hospital funds which report shall also
36 show the balance of cash on hand.

1 **Sec. 8.** RCW 36.32.235 and 2009 c 229 s 6 are each amended to
2 read as follows:

3 (1) In each county with a population of four hundred thousand or
4 more which by resolution establishes a county purchasing department,
5 the purchasing department shall enter into leases of personal
6 property on a competitive basis and purchase all supplies, materials,
7 and equipment on a competitive basis, for all departments of the
8 county, as provided in this chapter and chapter 39.04 RCW, except
9 that the county purchasing department is not required to make
10 purchases that are paid from the county road fund or equipment rental
11 and revolving fund.

12 (2) As used in this section, "public works" has the same
13 definition as in RCW 39.04.010.

14 (3) Except as otherwise specified in this chapter or in chapter
15 36.77 RCW, all counties subject to these provisions shall contract on
16 a competitive basis for all public works after bids have been
17 submitted to the county upon specifications therefor. Such
18 specifications shall be in writing and shall be filed with the clerk
19 of the county legislative authority for public inspection.

20 (4) An advertisement shall be published in the county official
21 newspaper stating the time and place where bids will be opened, the
22 time after which bids will not be received, the character of the work
23 to be done, the materials and equipment to be furnished, and that
24 specifications therefor may be seen at the office of the clerk of the
25 county legislative authority. An advertisement shall also be
26 published in a legal newspaper of general circulation in or as near
27 as possible to that part of the county in which such work is to be
28 done. If the county official newspaper is a newspaper of general
29 circulation covering at least forty percent of the residences in that
30 part of the county in which such public works are to be done, then
31 the publication of an advertisement of the applicable specifications
32 in the county official newspaper is sufficient. Such advertisements
33 shall be published at least once at least thirteen days prior to the
34 last date upon which bids will be received.

35 (5) The bids shall be in writing, may be in either hard copy or
36 electronic form as specified by the county, shall be filed with the
37 clerk, shall be opened and read in public at the time and place named
38 therefor in the advertisements, and after being opened, shall be
39 filed for public inspection. No bid may be considered for public work
40 unless it is accompanied by a bid deposit in the form of a surety

1 bond, postal money order, cash, cashier's check, or certified check
2 in an amount equal to five percent of the amount of the bid proposed.

3 (6) The contract for the public work shall be awarded to the
4 lowest responsible bidder. Any or all bids may be rejected for good
5 cause. The county legislative authority shall require from the
6 successful bidder for such public work a contractor's bond in the
7 amount and with the conditions imposed by law.

8 (7) If the bidder to whom the contract is awarded fails to enter
9 into the contract and furnish the contractor's bond as required
10 within ten days after notice of the award, exclusive of the day of
11 notice, the amount of the bid deposit shall be forfeited to the
12 county and the contract awarded to the next lowest and best bidder.
13 The bid deposit of all unsuccessful bidders shall be returned after
14 the contract is awarded and the required contractor's bond given by
15 the successful bidder is accepted by the county legislative
16 authority. Immediately after the award is made, the bid quotations
17 obtained shall be recorded and open to public inspection and shall be
18 available by telephone inquiry.

19 (8) As limited by subsection (10) of this section, a county
20 subject to these provisions may have public works performed by county
21 employees in any annual or biennial budget period equal to a dollar
22 value not exceeding ten percent of the public works construction
23 budget, including any amount in a supplemental public works
24 construction budget, over the budget period.

25 Whenever a county subject to these provisions has had public
26 works performed in any budget period up to the maximum permitted
27 amount for that budget period, all remaining public works except
28 emergency work under subsection (12) of this section within that
29 budget period shall be done by contract pursuant to public notice and
30 call for competitive bids as specified in subsection (3) of this
31 section. The state auditor shall report to the state treasurer any
32 county subject to these provisions that exceeds this amount and the
33 extent to which the county has or has not reduced the amount of
34 public works it has performed by public employees in subsequent
35 years.

36 (9) If a county subject to these provisions has public works
37 performed by public employees in any budget period that are in excess
38 of this ten percent limitation, the amount in excess of the permitted
39 amount shall be reduced from the otherwise permitted amount of public
40 works that may be performed by public employees for that county in

1 its next budget period. Ten percent of the motor vehicle fuel tax
2 distributions to that county shall be withheld if two years after the
3 year in which the excess amount of work occurred, the county has
4 failed to so reduce the amount of public works that it has performed
5 by public employees. The amount withheld shall be distributed to the
6 county when it has demonstrated in its reports to the state auditor
7 that the amount of public works it has performed by public employees
8 has been reduced as required.

9 (10) In addition to the percentage limitation provided in
10 subsection (8) of this section, counties subject to these provisions
11 containing a population of four hundred thousand or more shall not
12 have public employees perform a public works project in excess of
13 ninety thousand dollars if more than a single craft or trade is
14 involved with the public works project, or a public works project in
15 excess of forty-five thousand dollars if only a single craft or trade
16 is involved with the public works project. A public works project
17 means a complete project. The restrictions in this subsection do not
18 permit the division of the project into units of work or classes of
19 work to avoid the restriction on work that may be performed by public
20 employees on a single project.

21 The cost of a separate public works project shall be the costs of
22 materials, supplies, equipment, and labor on the construction of that
23 project. The value of the public works budget shall be the value of
24 all the separate public works projects within the budget.

25 (11) In addition to the accounting and recordkeeping requirements
26 contained in chapter 39.04 RCW, any county which uses public
27 employees to perform public works projects under RCW 36.32.240(1)
28 shall prepare a year-end report to be submitted to the state auditor
29 indicating the total dollar amount of the county's public works
30 construction budget and the total dollar amount for public works
31 projects performed by public employees for that year.

32 The year-end report submitted pursuant to this subsection to the
33 state auditor shall be in accordance with the standard form required
34 by RCW 43.09.205.

35 (12) Notwithstanding any other provision in this section,
36 counties may use public employees without any limitation for
37 emergency work performed under an emergency declared pursuant to RCW
38 36.32.270, and any such emergency work shall not be subject to the
39 limitations of this section. Publication of the description and
40 estimate of costs relating to correcting the emergency may be made

1 within seven days after the commencement of the work. Within two
2 weeks of the finding that such an emergency existed, the county
3 legislative authority shall adopt a resolution certifying the damage
4 to public facilities and costs incurred or anticipated relating to
5 correcting the emergency. Additionally this section shall not apply
6 to architectural and engineering or other technical or professional
7 services performed by public employees in connection with a public
8 works project.

9 (13) In lieu of the procedures of subsections (3) through (11) of
10 this section, a county may let contracts using the small works roster
11 process provided in RCW 39.04.155.

12 Whenever possible, the county shall invite at least one proposal
13 from a minority or woman contractor who shall otherwise qualify under
14 this section.

15 (14) The allocation of public works projects to be performed by
16 county employees shall not be subject to a collective bargaining
17 agreement.

18 (15) This section does not apply to performance-based contracts,
19 as defined in RCW 39.35A.020(4), that are negotiated under chapter
20 39.35A RCW.

21 (16) Nothing in this section prohibits any county from allowing
22 for preferential purchase of products made from recycled materials or
23 products that may be recycled or reused.

24 (17) This section does not apply to contracts between the public
25 stadium authority and a team affiliate under RCW 36.102.060(4), or
26 development agreements between the public stadium authority and a
27 team affiliate under RCW 36.102.060(7) or leases entered into under
28 RCW 36.102.060(8).

29 **Sec. 9.** RCW 36.32.245 and 2007 c 88 s 1 are each amended to read
30 as follows:

31 (1) No contract for the purchase of materials, equipment, or
32 supplies may be entered into by the county legislative authority or
33 by any elected or appointed officer of the county until after bids
34 have been submitted to the county. Bid specifications shall be in
35 writing and shall be filed with the clerk of the county legislative
36 authority for public inspection. An advertisement shall be published
37 in the official newspaper of the county stating the time and place
38 where bids will be opened, the time after which bids will not be
39 received, the materials, equipment, supplies, or services to be

1 purchased, and that the specifications may be seen at the office of
2 the clerk of the county legislative authority. The advertisement
3 shall be published at least once at least thirteen days prior to the
4 last date upon which bids will be received.

5 (2) The bids shall be in writing, may be in either hard copy or
6 electronic form as specified by the county, and shall be filed with
7 the clerk. The bids shall be opened and read in public at the time
8 and place named in the advertisement. Contracts requiring competitive
9 bidding under this section may be awarded only to the lowest
10 responsible bidder. Immediately after the award is made, the bid
11 quotations shall be recorded and open to public inspection and shall
12 be available by telephone inquiry. Any or all bids may be rejected
13 for good cause.

14 (3) For advertisement and formal sealed bidding to be dispensed
15 with as to purchases between ((five)) ten thousand and ((twenty-
16 five)) fifty thousand dollars, the county legislative authority must
17 use the uniform process to award contracts as provided in RCW
18 39.04.190. Advertisement and formal sealed bidding may be dispensed
19 with as to purchases of less than ((five)) ten thousand dollars upon
20 the order of the county legislative authority.

21 (4) This section does not apply to performance-based contracts,
22 as defined in RCW 39.35A.020(4), that are negotiated under chapter
23 39.35A RCW; or contracts and purchases for the printing of election
24 ballots, voting machine labels, and all other election material
25 containing the names of candidates and ballot titles.

26 (5) Nothing in this section shall prohibit the legislative
27 authority of any county from allowing for preferential purchase of
28 products made from recycled materials or products that may be
29 recycled or reused.

30 (6) This section does not apply to contracting for public
31 defender services by a county.

32 **Sec. 10.** RCW 35.58.585 and 2008 c 123 s 2 are each amended to
33 read as follows:

34 (1) Both a metropolitan municipal corporation and a city-owned
35 transit system may establish, by resolution, a schedule of fines and
36 penalties for civil infractions established in RCW 35.58.580. Fines
37 established shall not exceed those imposed for class 1 infractions
38 under RCW 7.80.120.

1 (2)(a) Both a metropolitan municipal corporation and a city-owned
2 transit system may designate persons to monitor fare payment who are
3 equivalent to, and are authorized to exercise all the powers of, an
4 enforcement officer as defined in RCW 7.80.040. Both a metropolitan
5 municipal corporation and a city-owned transit system may employ
6 personnel to either monitor fare payment or contract for such
7 services, or both.

8 (b) In addition to the specific powers granted to enforcement
9 officers under RCW 7.80.050 and 7.80.060, persons designated to
10 monitor fare payment may also take the following actions:

11 (i) Request proof of payment from passengers;

12 (ii) Request personal identification from a passenger who does
13 not produce proof of payment when requested;

14 (iii) Issue a citation for a civil infraction established in RCW
15 35.58.580 conforming to the requirements established in RCW 7.80.070,
16 except that the form for the notice of civil infraction must be
17 approved by the administrative office of the courts and must not
18 include vehicle information; and

19 (iv) Request that a passenger leave the bus or other mode of
20 public transportation when the passenger has not produced proof of
21 payment after being asked to do so by a person designated to monitor
22 fare payment.

23 (3) Both a metropolitan municipal corporation and a city-owned
24 transit system shall keep records of citations in the manner
25 prescribed by RCW 7.80.150. All civil infractions established by this
26 section and RCW 35.58.580 and 35.58.590 shall be heard and determined
27 by a district court as provided in RCW 7.80.010 (1) and (4).

28 **Sec. 11.** RCW 36.57A.030 and 1977 ex.s. c 44 s 1 are each amended
29 to read as follows:

30 Any conference which finds it desirable to establish a public
31 transportation benefit area or change the boundaries of any existing
32 public transportation benefit area shall fix a date for a public
33 hearing thereon, or the legislative bodies of any two or more
34 component cities or the county legislative body by resolution may
35 require the public transportation improvement conference to fix a
36 date for a public hearing thereon. Prior to the convening of the
37 public hearing, the county governing body shall delineate the area of
38 the county proposed to be included within the transportation benefit
39 area, and shall furnish a copy of such delineation to each

1 incorporated city within such area. Each city shall advise the county
2 governing body, on a preliminary basis, of its desire to be included
3 or excluded from the transportation benefit area by means of an
4 ordinance adopted by the legislative body of that city. The county
5 governing body shall cause the delineations to be revised to reflect
6 the wishes of such incorporated cities. This delineation shall be
7 considered by the conference at the public hearing for inclusion in
8 the public transportation benefit area.

9 Notice of such hearing shall be published once a week for at
10 least four consecutive weeks in one or more newspapers of general
11 circulation within the area. The notice shall contain a description
12 and map of the boundaries of the proposed public transportation
13 benefit area and shall state the time and place of the hearing and
14 the fact that any changes in the boundaries of the public
15 transportation benefit area will be considered at such time and
16 place. At such hearing or any continuation thereof, any interested
17 person may appear and be heard on all matters relating to the effect
18 of the formation of the proposed public transportation benefit area.

19 The conference may make such changes in the boundaries of the
20 public transportation benefit area as they shall deem reasonable and
21 proper, but may not delete any portion of the proposed area which
22 will create an island of included or excluded lands, and may not
23 delete a portion of any city. If the conference shall determine that
24 any additional territory should be included in the public
25 transportation benefit area, a second hearing shall be held and
26 notice given in the same manner as for the original hearing. The
27 conference may adjourn the hearing on the formation of a public
28 transportation benefit area from time to time not exceeding thirty
29 days in all.

30 Following the conclusion of such hearing the conference shall
31 adopt a resolution fixing the boundaries of the proposed public
32 transportation benefit area, declaring that the formation of the
33 proposed public transportation benefit area will be conducive to the
34 welfare and benefit of the persons and property therein.

35 Within thirty days of the adoption of such conference resolution,
36 the county legislative authority of each county wherein a conference
37 has established proposed boundaries of a public transportation
38 benefit area, may by resolution, upon making a legislative finding
39 that the proposed benefit area includes portions of the county which
40 could not be reasonably expected to benefit from such benefit area or

1 excludes portions of the county which could be reasonably expected to
2 benefit from its creation, disapprove and terminate the establishment
3 of such public transportation benefit area within such county.

Passed by the House March 10, 2016.

Passed by the Senate March 4, 2016.

Approved by the Governor March 31, 2016.

Filed in Office of Secretary of State April 1, 2016.

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