

Multiple Agency Fiscal Note Summary

Bill Number: 6040 E S SB	Title: Public works payments
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Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	No fiscal impact					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Enterprise Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
University of Washington	.0	0	0	0	.0	0	0	0	.0	0	0	0
Washington State University	.0	0	0	0	.0	0	0	0	.0	0	0	0
Eastern Washington University	.0	0	0	0	.0	0	0	0	.0	0	0	0
Central Washington University	.0	0	0	0	.0	0	0	0	.0	0	0	0
The Evergreen State College	.0	0	0	0	.0	0	0	0	.0	0	0	0
Western Washington University	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Transportation	.1	0	0	32,000	.0	0	0	0	.0	0	0	0
State Parks and Recreation Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Fish and Wildlife	.0	0	0	0	.0	0	0	0	.0	0	0	0
Community and Technical College System	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.1	0	0	32,000	0.0	0	0	0	0.0	0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Enterprise Services	.0	0	0	.0	0	0	.0	0	0
University of Washington	.0	0	0	.0	0	0	.0	0	0
Washington State University	.0	0	0	.0	0	0	.0	0	0
Eastern Washington University	.0	0	0	.0	0	0	.0	0	0
Central Washington University	.0	0	0	.0	0	0	.0	0	0
The Evergreen State College	.0	0	0	.0	0	0	.0	0	0
Western Washington University	.0	0	0	.0	0	0	.0	0	0
Department of Transportation	.0	0	0	.0	0	0	.0	0	0
State Parks and Recreation Commission	.0	0	0	.0	0	0	.0	0	0
Department of Fish and Wildlife	.0	0	0	.0	0	0	.0	0	0
Community and Technical College System	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Kelsey Rote, OFM	Phone: (360) 000-0000	Date Published: Final 2/22/2024
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Individual State Agency Fiscal Note

Bill Number: 6040 E S SB	Title: Public works payments	Agency: 179-Department of Enterprise Services
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7105	Date: 02/14/2024
Agency Preparation: Becky Guyer	Phone: (360) 407-9254	Date: 02/19/2024
Agency Approval: Jessica Goodwin	Phone: (360) 819-3719	Date: 02/19/2024
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/19/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1(b) is a new section added to RCW 39.04.250 that requires that state certified small, women, and minority-owned businesses; disadvantaged business enterprises; and those recognized as a women or minority-owned business enterprises in a state of Washington port, county, or municipal small business or women or minority-owned business enterprise program must be paid no later than 30 days after work on a public works project is accepted by the state or municipality, regardless of when the prime contractor receives payment.

This new requirement must be included on all public works contracts or agreements entered into by the Department of Enterprise Services. Internal procedures and policies as well as system(s) will need to be updated and/or implemented. The workload associated with updating procedures, policies, contracts, and agreements can be completed within existing workload.

This has no fiscal impact to the Department of Enterprise Services.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 6040 E S SB	Title: Public works payments	Agency: 360-University of Washington
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7105	Date: 02/14/2024
Agency Preparation: Alexis Rinck	Phone: 2066858868	Date: 02/19/2024
Agency Approval: Michael Lantz	Phone: 2065437466	Date: 02/19/2024
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/19/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Engrossed Substitute Senate Bill 6040 includes changes that reduce the fiscal impact to the University of Washington (UW) that were detailed in the previous fiscal note. Namely, language regarding payment certified firms in advance of payment, and interest regarding late payments are no longer in the bill. These were the two elements driving the fiscal impact. While this bill may result in a few more invoices, these can be managed within existing resources. Therefore, there is no fiscal impact to UW for ESSB 6040.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 6040 E S SB	Title: Public works payments	Agency: 365-Washington State University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7105	Date: 02/14/2024
Agency Preparation: Emily Green	Phone: 5093359681	Date: 02/19/2024
Agency Approval: Chris Jones	Phone: 509-335-9682	Date: 02/19/2024
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/19/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

ES SB 6040 relates to prompt payments in public works.

This bill amends RCW 39.04.250 to add the following: Section 1 (b) (i) The state must pay the prime contractor within 30 days for work satisfactorily completed or materials delivered by a subcontractor of any tier that is small business certified with the office of minority and women's business enterprises under chapter 1539.19 RCW, or is recognized as a women or minority-owned business enterprise in a state of Washington port, county, or municipal small business or women or minority-owned business enterprise program. Within 10 days of receipt of payment, the prime contractor and each higher tier subcontractor must make payment to its subcontractor until the subcontractor that is a certified small business or recognized women or minority-owned business has received payment.

(ii) For the purposes of this subsection, when a public owner has made an incremental acceptance of a portion of a prime contract, the work of a subcontractor covered by the incremental acceptance is deemed satisfactorily complete.

Section 2 (new): this act takes effect July 1, 2025.

This bill is not expected to fiscally impact Washington State University, and any costs associated to meet the requirements of this bill could be absorbed through existing resources.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 6040 E S SB	Title: Public works payments	Agency: 370-Eastern Washington University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7105	Date: 02/14/2024
Agency Preparation: Keith Tyler	Phone: 509 359-2480	Date: 02/19/2024
Agency Approval: Tammy Felicijan	Phone: (509) 359-7364	Date: 02/19/2024
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/19/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

SB 6012 amends RCW 39.04.250 to add a subsection as follows:

Section (1)(b) Payment to subcontractors that are state certified small, women, and minority-owned, or disadvantaged business enterprises or recognized as a women or minority-owned business enterprise in a state of Washington port, county, or municipal small business or women or minority-owned business enterprise program must be paid no later than 30 days after the work is accepted by the state or municipality, regardless of when the prime contractor receives payment for work performed on the public work.

DES provided a number of assumptions that state the following:

The term “accepted” in line 17 is defined as “an authorized actor of the state or municipality has signed the invoice, accepting the cost charged for the work completed”. The vendor with whom the subcontractor has the direct contract with shall be responsible for payment within 30 days of acceptance by the state or municipality. The state’s responsibility for communicating initiation of the 30 day timeframe would be met through notification to the prime contractor on the day the invoice is signed by the authorized actor. Notification and communication with subcontractors would be managed by the chain of contractors. It is not the responsibility of the state or municipality to monitor the 30 day timeline for subcontractor payment. Acceptance for purposes of this language does not preclude the state or municipality from rejecting work with the prime contractor at the final project walk through. Agencies would be required to update contract templates with this information.

The assumptions state that responsibility of the 30 day payment timeline is on the prime contractor without any oversight by EWU. Our contracts follow the DES standard which means that subcontractors are not paid directly. This is to avoid managing multiple second, third etc. subcontractor’s work. Following the language in the bill, this would take a re-write of our public works contracts.

Fiscal impact would be minimal and absorbed within current resources.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 6040 E S SB	Title: Public works payments	Agency: 375-Central Washington University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7105	Date: 02/14/2024
Agency Preparation: Alexa Orcutt	Phone: 5099632955	Date: 02/16/2024
Agency Approval: Lisa Plesha	Phone: (509) 963-1233	Date: 02/16/2024
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/19/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Changes from the original 6040 SB to 6040 ES SB 6040 is the following:

Section 1(b)(i) replaces verbiage and now states “the state must pay the prime contractor within 30 days for work satisfactorily completed or materials delivered by a subcontractor of any tier that is small business certifies with the office of minority and women’s business enterprises under chapter 39.19 RCW, or ...”. Also inserts within 10 days of receipt of payment the prime contractor and each higher tier subcontractor must make payment to its subcontractor until the subcontractor that is a certified small business or minority-owned business has received payment. Inserts (ii) which says when a public owner has made an incremental acceptance of a portion of a prime contract, the work of a subcontractor covered by the incremental acceptance is deemed satisfactorily complete.

Added Section 2, which mentions this act would take effect July 1, 2025.

CWU anticipates minimal effort necessary to update language in applicable forms/contracts and efforts will be absorbed within existing resources, therefore results in no fiscal impact to comply with this bill.

Summary from original 6040 SB is provided below:

Section 1: Amending RCW 39.04.250 and 1992 c 223 s 5: (1)(b) Payment to subcontractors that are state certified small, women, and minority-owned, or disadvantaged business enterprises or recognized as a women or minority-owned enterprise in a state of WA port, county, or municipal small business or enterprise program need to be paid no later than 30 days after the work is accepted, regardless of when the prime contractor receives payment for work performed on the public work.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 6040 E S SB	Title: Public works payments	Agency: 376-The Evergreen State College
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

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- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7105	Date: 02/14/2024
Agency Preparation: Daniel Ralph	Phone: 360-867-6500	Date: 02/16/2024
Agency Approval: Lisa Dawn-Fisher	Phone: 564-233-1577	Date: 02/16/2024
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/19/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

6040 ESSB relates to ensuring prompt payment for subcontractors for public works.

Section 1(1)(b)(i) states that college must pay the prime contractor within 30 days of the satisfactory completion of work or delivery of materials has been accomplished by a subcontractor at any tier. The contractor then has 10 days to pay the subcontractor.

Based on the set of lead agency assumptions issued by DES regarding this version of the bill, there would be minimal one-time costs related to inserting some new language into our public works contracts. There is no fiscal impact to the college.

SB 6040 relates to prompt payment for public works.

Section 1(1)(b) states that payments to subcontractors that are state certified small, women, and minority-owned businesses must be paid no later than 30 days after the work is accepted, regardless of when the prime contractor receives payment for work performed on the public work.

Based on the lead agency assumptions issued by DES, there would be minimal one-time costs associated with this bill (the insertion of the new language into the college's public works contracts) and no fiscal impact on the college.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Revised

Bill Number: 6040 E S SB	Title: Public works payments	Agency: 380-Western Washington University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7105	Date: 02/14/2024
Agency Preparation: Gena Mikkelsen	Phone: 3606507412	Date: 02/16/2024
Agency Approval: Anna Hurst	Phone: 360-650-3569	Date: 02/16/2024
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/19/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Sec. 1: This section amends RCW 39.04.250 and 1992 c 223 s 5. It requires contractors or subcontractors to pay subcontractors no later than 10 days after receiving payment for work performed. The state must promptly pay prime contractors within 30 calendar days for work satisfactorily completed or materials delivered by a certified small business or recognized women or minority-owned business enterprise. In a good faith dispute over payment, withholding cannot exceed 150 percent of the disputed amount. Wrongfully withheld funds accrue interest and the prevailing party in actions to collect withheld funds is entitled to costs and attorneys' fees.

Sec. 2: This section states that the act takes effect on July 1, 2024.

There is no fiscal impact based on the assumption that the 30-day payment period begins when the invoice is received from the subcontractors.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 6040 E S SB	Title: Public works payments	Agency: 405-Department of Transportation
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.2	0.1	0.0	0.0
Account					
Motor Vehicle Account-State 108 -1	0	32,000	32,000	0	0
Total \$	0	32,000	32,000	0	0

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7105	Date: 02/14/2024
Agency Preparation: Jim Cuthbertson	Phone: 360-705-7825	Date: 02/21/2024
Agency Approval: Jon Deffenbacher	Phone: 360-7057829	Date: 02/21/2024
OFM Review: Maria Thomas	Phone: (360) 229-4717	Date: 02/21/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

See attached fiscal note.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
108-1	Motor Vehicle Account	State	0	32,000	32,000	0	0
Total \$			0	32,000	32,000	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.2	0.1		
A-Salaries and Wages		24,000	24,000		
B-Employee Benefits		8,000	8,000		
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	32,000	32,000	0	0

III. C - Operating FTE Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Transportation Technical Engineer	116,020		0.2	0.1		
Total FTEs			0.2	0.1		0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 6040 ESSB **Title:** Public Works Payments

Agency: 405-Department of Transportation

Part I: Estimates

Check applicable boxes and follow corresponding instructions, use the fiscal template table provided to show fiscal impact by account, object, and program (if necessary), **add rows if needed**. If no fiscal impact, check the box below, skip fiscal template table, and go to Part II to explain briefly, why the program believes there will be no fiscal impact to the department.

- No Fiscal Impact (Explain required in section II. A)
- Indeterminate Cash Receipts Impact (Explain in section II. B)
- Partially Indeterminate Cash Receipts Impact (Explain in section II. B)
- Indeterminate Expenditure Impact (Explain in section II. C)
- Partially Indeterminate Expenditure Impact (Explain in section II. C)

- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, **complete entire fiscal note form Parts I-V**
- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, **complete entire fiscal note form Parts I-V**
- Capital budget impact, **complete Part IV**
- Requires new rule making, **complete Part V**
- Revised

		2023-25 Biennium		2025-27 Biennium		2027-29 Biennium	
Expenditures		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
108-1-MOTOR VEHICLE		\$0	\$32,000	\$0	\$0	\$0	\$0
Total Expenditures		\$0	\$32,000	\$0	\$0	\$0	\$0
Biennial Totals		\$32,000		\$0		\$0	
FTEs		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Transportation Technical Engineer	Salary \$116,020	0.0	0.2	0.0	0.0	0.0	0.0
Biennial Average		0.1		0.0		0.0	
Objects of Expenditure		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
A - SALARIES AND WAGES		\$0	\$24,000	\$0	\$0	\$0	\$0
B - EMPLOYEE BENEFITS		\$0	\$8,000	\$0	\$0	\$0	\$0

Agency Assumptions

N/A

Agency Contacts:

Preparer: Jim Cuthbertson	Phone: 360.870.1108	Date: 02/16/24
Approval: Jon Deffenbacher	Phone: 360.705.7829	Date: 2/21/2024
Budget Manager: Doug Clouse	Phone: 360.705.7535	Date: 2/21/2024

Individual State Agency Fiscal Note

Part II: Narrative Explanation

II. A - Brief description of what the measure does that has fiscal impact.

The bill amends RCW 39.04.250 and requires prompt payment to subcontractors that are state certified small, women, and minority-owned, or disadvantaged business enterprises or recognized as a women or minority-owned business enterprise in a state of Washington port, county, or municipal small business or women or minority-owned business enterprise program. Payment must be paid no later than 30 days after the work is accepted by the State.

II. B – Cash Receipts Impact

N/A – No Cash Receipts Impact

II. C - Expenditures

Section 1 of the bill affects the distribution of payments made by the State to the Contractor. As a result of the proposed legislation, WSDOT will need to change the requirements of the department’s Standard Specifications for Road, Bridge, and Municipal Construction M41-10, the Construction Manual M41-01, the Design-build General Provision templates for State funded and Federal funded projects to incorporate the payment requirements of the bill. The Manual and Specifications editing is a one-time expense expected to occur in fiscal year 2025. The predicted cost of the workload to revise the necessary documents is expected to be 0.2 FTE at a Transportation Technical Engineer classification in fiscal year 2025.

Part III: Expenditure Detail

III. A - Expenditures by Object or Purpose

Part IV: Capital Budget Impact

N/A

Part V: New Rule Making Required

N/A

Individual State Agency Fiscal Note

Bill Number: 6040 E S SB	Title: Public works payments	Agency: 465-State Parks and Recreation Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7105	Date: 02/14/2024
Agency Preparation: Mark Bibeau	Phone: (360) 902-8610	Date: 02/14/2024
Agency Approval: Van Church	Phone: (360) 902-8542	Date: 02/14/2024
OFM Review: Shelly Willhoite	Phone: (360) 890-2366	Date: 02/14/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

The proposed legislation would require payment for accepted work no later than 30 days for state certified small, women and minority owned disadvantaged business enterprises regardless of when the prime contractor receives payment.

The contractual relationship for payment of accepted work by a covered sub-contractor is with the prime contractor, not Parks, so the agency is not impacted by this proposed legislation.

State Parks has determined the proposed legislation would have no fiscal impact to the agency.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

None.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 6040 E S SB	Title: Public works payments	Agency: 477-Department of Fish and Wildlife
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7105	Date: 02/14/2024
Agency Preparation: Barbara Reichart	Phone: (360) 819-0438	Date: 02/14/2024
Agency Approval: Barbara Reichart	Phone: (360) 819-0438	Date: 02/14/2024
OFM Review: Shelly Willhoite	Phone: (360) 890-2366	Date: 02/14/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

NO CHANGE IN FISCAL IMPACT: The engrossed substitute bill removes the provision requiring a general contractor to pay certain subcontractors before receiving payment themselves. Requires the department to pay a prime contractor within 30 days for work satisfactorily completed or materials delivered by a qualified subcontractor. Requires a prime contractor and each higher tier subcontractor to make payment within 10 days to their subcontractor until the qualifying subcontractor receives payment.

Section 1(b) requires the Department to pay prime contractors within 30 days for satisfactory work completed or materials delivered by a qualifying subcontractor. Requires the prime contractor to pay a qualifying subcontractor within 10 days.

WDFW's current contract language requires payment to contractors within 30 days of satisfactory work completed or materials delivered. No fiscal impact.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 6040 E S SB	Title: Public works payments	Agency: 699-Community and Technica College System
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7105	Date: 02/14/2024
Agency Preparation: Brian Myhre	Phone: 360-704-4413	Date: 02/14/2024
Agency Approval: Stephanie Winner	Phone: 360-704-1023	Date: 02/14/2024
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/19/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

The engrossed substitute bill differs from the original bill in several ways, including:

Requires the state to pay a prime contractor within 30 days for work satisfactorily completed or materials delivered by a subcontractor of any tier that is a certified small business or recognized women or minority-owned business. Requires a prime contractor and each higher tier subcontractor to make payment within 10 days to its subcontractor until the subcontractor that is a certified small business or recognized women or minority-owned business receives payment.

This change would not change fiscal impacts when compared to the original bill.

The bill would require the state to pay a prime contractor within 30 days for work satisfactorily completed or materials delivered by a subcontractor of any tier that is a certified small business or recognized women or minority-owned business.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

No cash receipts impact.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

No expenditure impact.

The bill would require the state to pay a prime contractor within 30 days for work satisfactorily completed or materials delivered by a subcontractor of any tier that is a certified small business or recognized women or minority-owned business.

This bill would affect the timing of payment, not the actual payment. It is expected that payments can be made within the 30-day time period specified in the bill. There is no fiscal impact.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 6040 E S SB

Title: Public works payments

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities:
- Counties:
- Special Districts:
- Specific jurisdictions only:
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Tammi Alexander	Phone: 360-725-5038	Date: 02/21/2024
Leg. Committee Contact: Desiree Omli	Phone: 360-786-7105	Date: 02/14/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/21/2024
OFM Review: Myra Baldini	Phone: (360) 688-8208	Date: 02/21/2024

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

Note: A fiscal note was not completed for the first substitute, this analysis is based on a comparison with the analysis completed for the original version.

CHANGES BETWEEN THIS ENGROSSED VERSION AND ORIGINAL BILL VERSION:

Removes the provision requiring a general contractor to pay certain subcontractors before receiving payment themselves, specifying the "state" must meet the payment requirements outlined in the bill

SUMMARY OF CURRENT BILL:

This bill would:

- require the state to pay a prime contractor within 30 days for work satisfactorily completed or materials delivered by a subcontractor of any tier that is a certified small business or recognized women or minority owned business
- require a prime contractor and each higher tier subcontractor to make payment within ten days to its subcontractor until the subcontractor that is a certified small business or recognized women or minority-owned business receives payment

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

CHANGES IN EXPENDITURE IMPACTS BETWEEN THIS ENGROSSED SUBSTITUTE VERSION AND ORIGINAL BILL VERSION:

This engrossed bill specifies that the state is responsible for meeting the payment requirements of the bill, removing the ambiguity in the original bill which created an indeterminate impact for local governments.

EXPENDITURE IMPACTS OF CURRENT BILL:

This bill would not impact local government expenditures.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

CHANGES IN REVENUE IMPACTS BETWEEN THIS ENGROSSED SUBSTITUTE VERSION AND ORIGINAL BILL VERSION:

The changes in the engrossed substitute version do not create any new fiscal impacts to local government revenue.

REVENUE IMPACTS OF CURRENT BILL:

This bill would not impact local government revenues.

Sources:

Association of Washington Cities

Senate Bill Report, ESSB 6040, As Passed Senate (02/13/2024)

Washington State Association of Counties