

FINAL BILL REPORT

HB 1040

C 152 L 91
Synopsis As Enacted

Brief Description: Authorizing municipal utilities to reimburse the city or town for management services.

By Representatives Rayburn, Lisk, Haugen and Bray.

House Committee on Local Government
Senate Committee on Governmental Operations

Background: Like many other cities and towns, the city of Grandview has traditionally apportioned part of the duties of its city administrator to its utility department and paid that portion of the city administrator's salary out of its utility fund. During an audit of Grandview, the state auditor questioned this practice since no statute expressly authorizes it. Subsequently, an assistant attorney general stated in a letter relating to this issue that since salaries of municipal employees are current expenses, all salaries must be paid out of the city's current expense fund.

Summary: Whenever a city or town apportions a percentage of the management staff's time for the administration, oversight, or supervision of a utility operated by the city or town, the utility budget may reimburse the city's or town's current expense fund for the value of the services. Management staff may include a city manager, administrator, or supervisor.

Votes on Final Passage:

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| House | 96 | 0 |
| Senate | 45 | 2 |

Effective: July 28, 1991