

SENATE BILL REPORT

HB 1040

AS REPORTED BY COMMITTEE ON GOVERNMENTAL OPERATIONS,
MARCH 26, 1991

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

SPONSORS: Representatives Rayburn, Lisk, Haugen and Bray.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Majority Report: Do pass.

Signed by Senators McCaslin, Chairman; Roach, Vice Chairman; and Madsen.

Staff: Rod McAulay (786-7754)

Hearing Dates: March 26, 1991

BACKGROUND:

Cities and towns have commonly paid compensation for employees of their utility departments out of moneys in their utility funds.

The City of Grandview 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. This practice was questioned in an audit of Grandview by the State Auditor since no statute expressly authorizes this practice. Subsequently, it was stated in a letter by an assistant attorney general relating to this issue that since salaries of municipal employees are current expenses, all salaries be paid out of the current expense fund of a city.

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 such services. This management staff includes a city manager, administrator, or supervisor.

Appropriations: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

Would solve a problem which affects a number of small cities.
Affects not only the manager but other services as well.

TESTIMONY AGAINST: None

TESTIFIED: Representative Rayburn, prime sponsor (pro); Stan
Finkelstein, AWC (pro)