

SENATE BILL REPORT

SHB 1858

AS REPORTED BY COMMITTEE ON GOVERNMENTAL OPERATIONS,  
MARCH 28, 1991

**Brief Description:** Authorizing cities and towns to cash employee checks, drafts, and warrants.

**SPONSORS:** House Committee on Local Government (originally sponsored by Representatives Bray, Roland and Haugen).

**HOUSE COMMITTEE ON LOCAL GOVERNMENT**

**SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS**

**Majority Report:** Do pass as amended.

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

**Staff:** Martin Lovinger (786-7443)

**Hearing Dates:** March 28, 1991

**BACKGROUND:**

The State Treasurer is authorized to cash state warrants and personal checks of state employees.

Cities and towns have not been granted similar authority to cash checks, drafts, and warrants for their employees.

**SUMMARY:**

Cities and towns are authorized to cash the following financial paper for their employees: (1) payroll checks, drafts, or warrants of the city or town; (2) expense checks, warrants, or drafts of the city or town; and (3) personal checks not exceeding \$200.

A city or town may withhold from the employee's payroll check, draft, or warrant the full amount of a personal check of the employee that was cashed by a city or town, if the check was dishonored by the drawee financial institution when presented for payment and the employee has been notified of the dishonor.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested

**SUMMARY OF PROPOSED SENATE AMENDMENT:**

It is clarified that cities and towns can cash expense checks, expense drafts, and expense warrants.

**TESTIMONY FOR:**

Some cities were already offering this service until the State Auditor informed them it was not authorized by law. Some cities, especially in rural areas of the state, do not have a bank and want and need to be able to offer this service.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Jim Justin, Association of Washington Cities