

# HOUSE BILL REPORT

## SHB 2507

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### As Passed Legislature

**Title:** An act relating to the recoupment of county and city employee salary and wage overpayments.

**Brief Description:** Providing for the recoupment of county and city employee salary and wage overpayments.

**Sponsors:** By House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Bush, Morrell, Campbell, Chase and Moeller).

### Brief History:

#### Committee Activity:

Commerce & Labor: 1/28/04, 2/5/04 [DPS].

#### Floor Activity:

Passed House: 2/16/04, 95-0.

Passed Senate: 3/2/04, 48-0.

Passed Legislature.

### Brief Summary of Substitute Bill

- Authorizes counties and cities, as employers, to recover overpayments of salary or wages to employees in the same manner as the state.
- Specifies that, for employees covered by collective bargaining agreements, grievance procedures contained in such agreements must be used to resolve disputes relating to overpayments.

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Conway, Chair; Wood, Vice Chair; McMorris, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Crouse, Holmquist, Hudgins, Kenney and McCoy.

**Staff:** Jill Reinmuth (786-7134).

### Background:

It is unlawful for an employer to withhold or divert any portion of an employee's wages except in three limited circumstances. These circumstances do not include the recovery of overpayments of wages. Consequently, with one exception, an employer must bring a civil action against an employee to collect such overpayments.

Legislation enacted in 2003 authorized the state, as an employer, to recover overpayments of wages to an employee either by making deductions from subsequent payments of wages to the employee or by a civil action. Deductions are limited to 5 percent of the employee's disposable earnings per pay period, except that they may be for the full amount still outstanding in the final pay period. Deductions may be made only in accordance with a specified process for reviewing and recovering overpayments of wages.

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**Summary of Substitute Bill:**

Counties and cities, as employers, are authorized to recover overpayments of wages to an employee in the same manner as the state. Disputes relating to overpayments to state, county, and city employees covered by collective bargaining agreements must be resolved using the grievance procedures in such agreements.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** Counties and cities should be on the same footing as the state. Last year's bill authorizing the state to recover overpayments of wages in a specified manner could not be modified to give counties and cities similar authority.

**Testimony Against:** None.

**Persons Testifying:** Michael Shaw, Pierce County

**Persons Signed In To Testify But Not Testifying:** None.