

SENATE BILL REPORT

EHB 2442

As Reported by Senate Committee On:
Governmental Operations, February 27, 2014

Title: An act relating to electronic salary and wage payments by counties.

Brief Description: Concerning electronic salary and wage payments by counties.

Sponsors: Representatives Moscoso, Robinson, Ryu, Tarleton, Stanford and Tharinger.

Brief History: Passed House: 2/17/14, 84-13.

Committee Activity: Governmental Operations: 2/27/14 [DP].

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Majority Report: Do pass.

Signed by Senators Roach, Chair; Hasegawa, Ranking Member; Conway and McCoy.

Staff: Sam Thompson (786-7413)

Background: A state agency or local government entity may pay employee salaries and wages electronically to financial institutions of employees if at least 25 of the agency or entity's employees request to receive payment in that manner. Employees not wishing to receive payment in that manner may continue to receive a non-electronic payment.

A state institution of higher education may require that all of its employees receive electronic payment of salaries and wages. If an employee does not have an account in a financial institution, the institution of higher education may require payment by alternate means, such as payroll cards. A payroll card is a type of debit card enabling a person to draw on that person's wages or salary, instead of a bank account, via an ATM or through a cash-back purchase.

Summary of Bill: A county paying employee salaries and wages electronically in accordance with a request from at least 25 of its employees may require that all of its employees receive electronic payment of salaries and wages. If an employee does not have an account in a financial institution, the county may require payment by alternate means, such as payroll cards. Mandated electronic payment for all employees must be approved by ordinance by the county legislative authority.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Washington State Institute for Public Policy (WSIPP) must conduct a study of counties electing to disburse salary and wages electronically or by alternate means. The study must provide information regarding percentages of employees receiving salaries and wages through payment to financial institutions and through payment by alternate means, details regarding disbursement methods, and any fee or charge that may apply to payment by alternate means. WSIPP must report to the Legislature by December 31, 2014.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This efficiency measure could enable Snohomish County to save \$40,000 in expenses and 1600 staff hours per year. Snohomish County is committed to contracting with financial institutions to limit payroll card fees. If there are concerns regarding the cost of the mandated WSIPP study, the county can provide a report.

Persons Testifying: PRO: Representative Moscoso, prime sponsor; Briahna Taylor, Snohomish County.