

SENATE BILL REPORT

SHB 2593

As of February 25, 2014

Title: An act relating to local government treasury practices and procedures.

Brief Description: Revising local government treasury practices and procedures.

Sponsors: House Committee on Local Government (originally sponsored by Representatives Stonier, Harris, Wylie, Ryu, Fey and Pike).

Brief History: Passed House: 2/12/14, 97-0.

Committee Activity: Governmental Operations: 2/25/14.

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Staff: Karen Epps (786-7424)

Background: County treasurers have various duties and authorities relating to the receipt, processing, and disbursement of funds. County treasurers are the custodians of county funds and administrators of county financial transactions. In addition to their duties relating to county functions, county treasurers provide financial services to special purpose districts and other units of local government including receipt, disbursement, investment, and accounting of the funds for each of these entities. Usually, these units of local government submit information about bills to be paid to the county auditor who then issues warrants and sends them to the county treasurer for payment.

County treasurers are authorized to collect taxes, assessments, fees, rates, and charges by electronic bill presentment and payment. Electronic bill presentment and payment includes an automatic electronic payment from a person's checking account, debit account, or credit card. With limited exceptions, a person using an acceptable electronic payment form must bear the cost of processing the transaction in an amount determined by the treasurer. The cost determination must be based upon costs incurred by the treasurer and may not exceed the additional direct costs incurred by the county to accept the specific form of payment utilized by the payer.

Summary of Bill: A county treasurer must base their credit card transaction costs on costs incurred by the treasurer and those costs cannot exceed the direct costs incurred. A county treasurer cannot charge a fee for payments of taxes paid by an automatic clearinghouse, federal wire, or other electronic communication. Any interest or penalties associated with

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credit card transactions may be absorbed by the unit of local government that assesses the payment transaction.

A local government officer may issue a duplicate warrant for the payment of money in the case of a lost or destroyed warrant under certain circumstances. The local government officer must obtain a written affidavit from the person requesting a duplicate warrant with the date of issue; the number, amount, and purpose of the original warrant; and whether it was lost, destroyed, not received, or not paid. If the original and the duplicate are both presented for payment as a result of forgery or fraud, the local government officer must endeavor to recover any losses suffered by the local government. The duplicate instrument is subject to the same provisions of law as the original instrument.

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 bill deals with some treasury enhancements. This bill is the companion to SB 6114 that is currently in the House. Some of the portions of the bill as introduced were removed in the House, but those portions may be legislation brought before the committee in the future. This bill provides options available for encouraging people to use the Internet for transaction payments; this bill will allow that to happen. This bill updates some outdated statutes regarding lost warrants and allows county treasurers to use current recommended practices.

Persons Testifying: PRO: Doug Lasher, Clark County Treasurer.