S-3432.1				

## SENATE BILL 6308

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State of Washington

63rd Legislature

2014 Regular Session

By Senator Schoesler

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Read first time 01/20/14. Referred to Committee on Governmental Operations.

- AN ACT Relating to bonuses paid to local government employees;
- 2 adding a new section to chapter 42.16 RCW; and creating a new section.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 NEW SECTION. **Sec. 1.** (1) The legislature finds that:
  - (a) Article II, section 25 of the state Constitution generally prohibits granting extra compensation to a public officer or employee after services have been rendered; and
    - (b) Article VIII, sections 5 and 7 of the state Constitution generally prohibit state agencies and local governments from making a gift of public funds.
    - (2) The legislature further finds that these provisions bar state agencies and local governments from paying an employee a bonus after services have been rendered unless the bonus is paid pursuant to a preexisting policy or contract authorizing a bonus as an incentive for performing services exceeding normal job expectations.
- 16 (3) The legislature further finds that while chapter 41.60 RCW 17 authorizes payment of limited bonuses to state employees for 18 suggestions reducing costs or generating additional revenue, or for

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- 1 outstanding achievements or service, safety performance, or longevity,
- 2 Washington lacks clear statutory standards for payment of bonuses to
- 3 local government employees.
- 4 (4) The legislature, therefore, intends to provide clear guidance
- 5 to local governments by enacting standards for payment of bonuses to
- 6 local government employees.
- NEW SECTION. Sec. 2. A new section is added to chapter 42.16 RCW to read as follows:
- 9 (1) A local government may pay a nonelective officer or employee a 10 bonus for previously rendered services if, prior to the rendering of 11 services, the local government legislative authority adopted an 12 ordinance or executed a contract:
- 13 (a) Authorizing payment of a bonus as an incentive for performing 14 services exceeding normal expectations for the position;
- 15 (b) Setting clearly identified and measurable service performance 16 goals for which a bonus could be paid; and
  - (c) Specifying the maximum amount of a bonus that could be paid.
  - (2) Payment of any bonus must be authorized by the local government legislative authority in a resolution adopted in an open public meeting, recorded in minutes, specifically describing the employee receiving the bonus, the service performance goal for which the bonus is paid, and the amount of the bonus.
- 23 (3) Nothing in this section supersedes any contract executed prior 24 to the effective date of this section.
  - (4) As used in this section:
- 26 (a) "Bonus" means any monetary sum not included in regular 27 compensation or in termination or pension benefits; and
- 28 (b) "Local government" means any county, city, town, municipal corporation, quasi-municipal corporation, or special purpose district.

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