

HOUSE BILL REPORT

SB 5337

As Reported by House Committee On:
Local Government

Title: An act relating to per diem rates for port district officers and employees.

Brief Description: Modifying per diem rates for port district officers and employees.

Sponsors: Senators Fraser and Pearson.

Brief History:

Committee Activity:

Local Government: 3/11/15, 3/12/15 [DP].

Brief Summary of Bill

- Replaces the maximum per diem amount of \$25 that may be paid to port district employees and officials for travel and business expenses when travel requires overnight lodging with the United States General Services Administration's per diem rates.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 7 members: Representatives Takko, Chair; Gregerson, Vice Chair; Griffey, Assistant Ranking Minority Member; Fitzgibbon, McBride, Peterson and Pike.

Minority Report: Do not pass. Signed by 2 members: Representatives Taylor, Ranking Minority Member; McCaslin.

Staff: Michaela Murdock (786-7289).

Background:

Ports districts (districts) are special purpose districts established to acquire, construct, maintain, operate, develop, and regulate: harbor improvements; rail, motor vehicle, water, or air transfer and terminal facilities, or any combination of such transfer and terminal facilities;

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other commercial transportation, transfer, handling, storage and terminal facilities; and industrial improvements.

Powers of a district are exercised through a port commission (commission) consisting of three or five members, as permitted by statute. The commission may by resolution: create and fill employment positions with the district; fix wages, salaries, and bonds; pay costs and assessments involved in securing employees; and establish employee benefits, including holiday pay, vacations or vacation pay, retirement and pension benefits, and medical, surgical, hospital care, life, accident, or health disability insurance.

Reimbursement of Expenses–Port District Employees.

District employees, officers, and commissioners, when engaged in official business of the district, are entitled to receive their necessary and reasonable travel and business expenses incurred on behalf of the district. Reimbursement of expenses may be granted when expenses are submitted on a voucher with appropriate evidence of payment by the employee or official.

Each district must adopt, and periodically amend, a resolution establishing the basic rules and regulations governing the method and amount of reimbursement payable to district employees and officials. The resolution must establish procedures for approving expenses; the method of authorizing the direct purchase of transportation; the voucher form; and requirements for the use of credit cards issued in the name of the district.

District rules and regulations may also provide for payment of per diem, in lieu of actual expenses, when travel requires overnight lodging. In all cases, the per diem payment may not exceed \$25 per day. The statutory dollar amount of \$25 for per diem payments was established in 1965, and has not been changed since that time.

United States General Services Administration.

The United States General Services Administration (GSA) is a federal agency, established in 1949 to streamline the administrative work of the federal government. The GSA facilitates the federal government's purchase of goods and services from commercial vendors.

The GSA establishes per diem rates for destinations within the continental United States for federal employees. The GSA per diem allowance is a daily payment instead of reimbursement for actual expenses for lodging, meals, and related incidental expenses. The per diem allowance is separate from transportation expenses and other miscellaneous expenses. The per diem rates are adjusted by the GSA each year and vary by state and region.

Under the rates established by the GSA for 2015, the standard rates for Washington are \$83 for lodging and \$46 for meals and incidental expenses. However, for specified locations in Washington, the GSA rates vary. For example, the rates are:

- \$156 for lodging and \$71 for meals and incidental expenses in Seattle;
- \$88 for lodging and \$61 for meals and incidental expenses in Spokane; and
- \$137 for lodging and \$56 for meals and incidental expenses in Vancouver.

Summary of Bill:

The per diem amount authorized in statute, for payment of travel and business expenses to district employees and officials in lieu of payment for actual expenses, is modified. The statutory dollar amount of \$25 is replaced with the per diem rates established by the GSA.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) This bill is a companion to a bill that was previously heard and passed by the committee. The bill makes a simple update to a statute that has not changed since 1965. The current \$25 per-day rate for meals and lodging effectively means that districts do not have a per diem travel rate. As a result, district employees must pay out-of-pocket for travel and business expenses, and then afterward receive reimbursement for their actual expenses. For some staff, this can be a financial burden. Also, for smaller districts this creates accounting inefficiencies and more paperwork. The bill will bring the per diem rate in line with the rate available to staff at other state agencies.

(Opposed) None.

Persons Testifying: Brandi Vena, Washington Public Ports Association.

Persons Signed In To Testify But Not Testifying: None.