

SENATE BILL REPORT

SSB 5767

As Passed Senate, February 11, 2016

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

Brief Description: Revising local government treasury practices and procedures.

Sponsors: Senate Committee on Government Operations & Security (originally sponsored by Senators Cleveland, Benton, Honeyford and Fraser).

Brief History:

Committee Activity: Government Operations & Security: 2/10/15, 2/12/15 [DPS].

Passed Senate: 2/11/16, 49-0.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & SECURITY

Majority Report: That Substitute Senate Bill No. 5767 be substituted therefor, and the substitute bill do pass.

Signed by Senators Roach, Chair; Benton, Vice Chair; Pearson, Vice Chair; Liias, Ranking Minority Member; McCoy.

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 the county's funds and the administrators of the county's 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 credit cards, charge cards, debit cards, smart cards, stored value cards, federal wire, and automatic clearinghouse system transactions, or other electronic communication. 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

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additional direct costs incurred by the county to accept the specific form of payment utilized by the payer.

Summary of Substitute Bill: County treasurers are authorized to accept electronic payments for payment of any kind. Electronic payment includes a payment paid by credit cards, charge cards, debit cards, smart cards, stored value cards, federal wire, automatic clearinghouse system transactions, or other electronic communication. A county treasurer must determine the amount of the transaction processing cost for electronic payments. The costs must be based on costs incurred and may not exceed the additional direct costs incurred by the county to accept the payment. A county treasurer may absorb transaction fees for payments for taxes, interest, and penalties associated with taxes that are made by automatic clearinghouse system, federal wire, or other electronic communication. The county legislative authority, or the legislative authority of a district where the county serves as treasurer, may direct the county treasurer to not charge transaction fees for all payments made for a specific category of nontax payments if it is in the best interests of the county or district.

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 the purpose of the original warrant; and whether it has been 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: Not requested.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: This bill is aimed at streamlining our methods of county treasurer practices. This bill keeps an eye toward constant process improvement. This bill authorizes county treasurers to accept electronic payments for any type of payments, such as taxes, assessments, fees, rates, and charges. This bill helps bring county treasurers up to date with current technology. County treasurers are also given the ability to determine the amount of the transaction processing costs for electronic payments, but it cannot exceed the direct costs incurred by the county. The bill also updates the lost warrant statutes which are out of compliance with current internal control and banking practices.

Persons Testifying: PRO: Senator Cleveland, prime sponsor; Doug Lasher, Clark County Treasurer.