

# HOUSE BILL REPORT

## HB 2449

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### As Passed Legislature

**Title:** An act relating to water-sewer district commissioner compensation.

**Brief Description:** Concerning commissioner compensation.

**Sponsors:** Representatives Griffey and Gregerson.

**Brief History:**

**Committee Activity:**

Local Government: 1/28/20, 1/31/20 [DP].

**Floor Activity:**

Passed House: 2/12/20, 95-0.

Senate Amended.

Passed Senate: 3/4/20, 47-0.

House Concurred.

Passed House: 3/7/20, 97-0.

Passed Legislature.

<p><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Delays inflation-based adjustments of various special purpose district commissioners' compensation to January 1, 2024.</li></ul>
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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** Do pass. Signed by 6 members: Representatives Pollet, Chair; Duerr, Vice Chair; Kraft, Ranking Minority Member; Appleton, Goehner and Senn.

**Staff:** Kellen Wright (786-7134).

**Background:**

Every five years, beginning on July 1, 2008, the Office of Financial Management (OFM) must adjust the commissioner compensation threshold amount for inflation for various special purpose district commissioners, board members, supervisors, and directors. The

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adjustment is based on changes in the Consumer Price Index for wage earners and clerical workers, as compiled by the United States Bureau of Labor Statistics.

As of July 1, 2018, the new dollar threshold for commissioners, board members, supervisors, and directors is \$128 per day and the new annual compensation limit is \$12,288 for the following districts:

- metropolitan park districts;
- cemetery districts;
- public hospital districts;
- diking districts;
- drainage districts;
- water-sewer districts;
- diking, drainage, and sewerage improvement districts;
- diking and drainage districts in two or more counties;
- consolidated diking, drainage, diking improvement, and drainage improvement districts;
- flood control districts;
- flood control zone districts; and
- irrigation districts.

Port districts, public utility districts, and public transportation benefit areas also receive compensation adjustments, but the amounts depend upon the gross operating income or gross revenue of the district.

As of July 1, 2018, the new dollar threshold per diem compensation for port districts is \$128 per day. The new annual per diem compensation limit is \$12,288 for port districts with a gross operating income of less than \$25 million in the preceding calendar year, and \$15,360 for port districts with a gross operating income of \$25 million or more. The new monthly commissioner salary for port districts with a gross operating income of \$25 million or more is \$713, and \$285 for port districts with a gross operating income from \$1 million to less than \$25 million.

As of July 1, 2018, the new dollar threshold per diem compensation for public utility districts is \$128 per day, with a new annual per diem compensation limit of \$17,920. The new monthly commissioner salary is \$2,567 per month for public utility districts with gross revenue over \$15 million in the preceding fiscal year, and \$1,854 per month for such districts with gross revenue from \$2 million to \$15 million per fiscal year. For public utility districts with gross revenue of less than \$2 million per fiscal year, the new monthly salary is \$856 per month.

As of July 1, 2018, the new dollar threshold for regular members of a public transportation benefit authority is \$63 per day, with a new annual compensation limit of \$4,725. The authority may, by resolution, increase the per diem compensation to \$128 per day, with a new annual compensation limit of \$9,600. The new dollar threshold for the chair is \$63 per day with a new annual compensation limit of \$6,300. The authority may, by resolution, increase the per diem compensation to \$128 per day, with a new annual compensation limit of \$12,800.

**Summary of Bill:**

Beginning on January 1, 2024, various special purpose district commissioners' compensation is adjusted for inflation every five years based on the Consumer Price Index for wage earners and clerical workers.

**Appropriation:** None.

**Fiscal Note:** Available.

**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) Currently, compensation increases for commissioners occur in July, which causes administrative problems and can cause issues with audits. This bill would fix this issue by moving the compensation increases to January, which matches the districts' fiscal year. This is a good change and allows managers to run their offices more efficiently.

(Opposed) None.

**Persons Testifying:** Representative Griffey, prime sponsor; and Joe Daniels, Washington Association of Water-Sewer Districts.

**Persons Signed In To Testify But Not Testifying:** None.