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## Local Government Committee

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### HB 1419

**Brief Description:** Concerning county treasurers' duties.

**Sponsors:** Representatives Chapman and Goehner.

**Brief Summary of Bill**

- Changes the process for county treasurers to designate an outstanding warrant as redeemed.
- Authorizes county treasurers to contract with the county or taxing district to cover warrants for which there are insufficient funds.

**Hearing Date:** 1/31/23

**Staff:** Elizabeth Allison (786-7129).

**Background:**

A county treasurer is the custodian of county money and the administrator of the county's financial transactions. A treasurer may also serve as the ex officio treasurer for a special purpose district such as a flood control district, irrigation district, or public utility district, and may provide financial services to districts and other units of local government. Treasurers have many duties enumerated in statute, which include receiving and disbursing money, issuing receipts for money received, and maintaining financial records reflecting receipts and disbursements.

The county treasurer has certain specified duties regarding warrants. The treasurer must affix the date of redemption on the face of all paid warrants and endorse, before the date of issue by the county or any taxing district for whom the county treasurer acts as treasurer, on the face of all warrants for which there are insufficient funds for payment, "interest bearing warrant." Notice must be given by the treasurer when there are funds to redeem outstanding warrants. Interest

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must be paid on all interest-bearing warrants from the date of issue to the date of notification.

**Summary of Bill:**

The requirement that the county treasurer affix the date of redemption on the face of paid warrants is removed and the county treasurer is directed to designate such warrants as cleared or redeemed in the appropriate accounting records.

The existing requirements for unpaid warrants are removed. In cases where there are insufficient funds to redeem warrants issued by the county or special purpose district for which a county treasurer acts as treasurer, the county treasurer is authorized to use funds not necessary for immediate expenditure to contract with the county or any taxing district to cover such insufficient funds. The county and taxing districts are prohibited from issuing additional warrants against funds where such a contract is in place without first contacting the treasurer and renegotiating the contract as necessary to cover any agreed upon additional funding.

**Appropriation:** None.

**Fiscal Note:** Requested on January 30, 2023.

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