

# SENATE BILL REPORT

## ESHB 1274

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As of March 19, 2013

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

**Brief Description:** Concerning local government practices and procedures.

**Sponsors:** House Committee on Local Government (originally sponsored by Representatives Alexander, Takko, Taylor and Fey).

**Brief History:** Passed House: 2/27/13, 88-9.

**Committee Activity:** Governmental Operations: 3/18/13.

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### SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

**Staff:** Karen Epps (786-7424)

**Background:** Municipal Budgets – Transmission of Adopted Budget Documents. Various requirements govern the creation, adoption, and modification of annual and biennial city and town budgets. For example, first class cities with fewer than 300,000 persons, second class cities, and towns must satisfy hearing requirements for the jurisdictions' annual proposed final budget. After the conclusion of that hearing, but before the beginning of the fiscal year, the legislative authority of the city or town must make final changes to the proposed budget and adopt the budget by ordinance in its final form and content. A complete copy of the final budget, as adopted, must be transmitted to the Association of Washington Cities (AWC).

Similarly, the legislative authorities of cities and towns that elect to prepare biennial budgets must satisfy hearing requirements and must adopt their budget, in final form and content, by ordinance. A complete copy of the adopted final budget, and subsequent mid-biennial budget reviews and modifications, must be transmitted to AWC and the State Auditor.

Acceptance of Credit Cards by Cities and Counties. Some counties and cities accept credit cards in the payment of fees, taxes, assessments, penalties, and other monies owed to the jurisdiction. State law provides an explicit authorization for the acceptance of credit cards by counties, but no similar statute exists for cities.

Duplicate Receipts - Sheriff's Office. County sheriffs must make duplicate receipts for all received payments for services. At the time of payment of any fees, the sheriff must deliver to the person making payment, either personally or by mail, the copy of the receipt

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designated as duplicate. The original receipts for each month and an attached verified statement of fees must be filed each month with the county treasurer. A sheriff may not receive their salary for the preceding month until the duplicate receipt and monthly filing requirements are satisfied. A sheriff who fails to perform these requirements is guilty of a misdemeanor and must be fined between \$10 and \$50 for each offense.

**Summary of Bill:** The requirement that first class cities with fewer than 300,000 persons, second class cities, and towns transmit a complete copy of their annually adopted final budget to AWC is deleted. The requirement obligating cities and towns that prepare biennial budgets to transmit a copy of their adopted final budget and mid-biennial budget modifications to the State Auditor and AWC is deleted.

Cities and towns are authorized to accept credit cards, charge cards, debits cards, and other specified forms of electronic payment for payments of any kind. A person using a credit card, charge card, debit card, or other electronic means must be assessed a convenience fee to cover the cost of processing the transaction in an amount determined by the city or town. The cost determination of the convenience fee must be based upon costs incurred by the city or town and may not exceed the additional direct costs incurred by the jurisdiction to accept the specific form of payment utilized by the payer.

Provisions requiring county sheriffs to duplicate receipts for received payments and to satisfy related monthly filing requirements are repealed. The compensation withholding and penalty provisions are also repealed.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: This bill continues to look for ways to address unfunded mandates for local governments and reduces some of the obsolete reporting requirements of cities and counties. This bill covers three aspects, eliminating the requirement that smaller cities and towns submit their operating budgets to AWC and to the state Auditor, extending the statutory authority for cities to accept credit cards, and removing an obsolete law that requires county sheriffs to make duplicate receipts and submit the receipts before they can receive their salary for the next month. All of these budgets are currently available on the city's or town's website. The issue of requiring a convenience fee on electronic payments should be permissive. There is some question about whether cities must charge a processing fee on electronic payments. There is some concern about how cities will make sure that the convenience fee does not exceed the direct costs incurred to accept the specific form of payment used.

**Persons Testifying:** PRO: Representative Alexander, prime sponsor; David Williams, Assn. of WA Cities.