

HOUSE BILL REPORT

ESSB 5050

As Reported By House Committee On:
Local Government

Title: An act relating to local government.

Brief Description: Revising reimbursement provisions for local government officials.

Sponsors: Senate Committee on Government Operations (originally sponsored by Senator Haugen).

Brief History:

Reported by House Committee on:
Local Government, April 2, 1993, DPA.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass as amended. Signed by 10 members: Representatives H. Myers, Chair; Bray, Vice Chair; Edmondson, Ranking Minority Member; Reams, Assistant Ranking Minority Member; Dunshee; R. Fisher; Rayburn; Romero; Springer; and Zellinsky.

Minority Report: Do not pass. Signed by 2 members: Representatives Horn; and Van Luven.

Staff: Bill Lynch (786-7092).

Background: Most members of local government legislative bodies are entitled to be reimbursed for travel expenses connected to their official duties. A general chapter of law that applies to these reimbursements states that they shall be made under local ordinance or resolution, unless otherwise specified in some statute. The statutes of individual units of government differ from this chapter and among each other. It is unclear which laws apply to the process by which local governments reimburse their governing body members for travel expenses.

Although most units of local government are specifically authorized to reimburse their governing body members for travel expenses, cities, sewer districts, city planning commissions, city libraries, metropolitan park districts, weed districts, and intercounty weed districts are not specifically authorized to provide reimbursement for travel expenses.

Several units of local government may provide insurance coverage to their governing body members. School districts, fire districts, and irrigation districts require the governing body members to pay the premiums. Port districts, public utility districts, and sewer districts and water districts with 5,000 or more customers may pay the premiums for their governing body members. Some of these local governments are not prohibited from providing greater coverage to their governing body members than to their employees.

City council members of a newly incorporated code city are paid at a salary level established in statute until a salary ordinance can be adopted and take effect. The salary varies with the size of the code city. There is no comparable statute for newly incorporated noncode cities. Since the Constitution prohibits an elected official from receiving any pay increase that he or she votes upon during that term of office, the first city council in a newly incorporated noncode city must serve without any salary.

In addition to being reimbursed for travel expenses, many local governing bodies are authorized to pay their members compensation for attending meetings or conducting business on behalf of the governing body. Members of these local governing bodies are generally authorized to waive a portion or all of their compensation. There are no provisions that expressly authorize city council members, county officers, and governing body members of some special districts to waive their compensation.

A conflict exists between two statutes pertaining to first-class cities. One statute provides that compensation shall be fixed in the city charter, while the other statute states that compensation shall be fixed by ordinance irrespective of any charter provision. It is unclear how these statutes should be reconciled.

Candidates for a board of airport commissioners or for a county noxious weed control board must submit a nominating petition signed by 10 registered voters. Candidates for public office generally are not required to file nominating petitions.

Members of the board of directors of a public facilities district are not authorized to receive any form of compensation. Some executive board members of an operating agency (Washington Public Power Supply System) set their own salaries, other executive board members of the operating agency have their salary set by the governor. There are no limits on the salary amount which executive board members of an operating agency may receive.

Summary of Amended Bill: The provisions for reimbursing members of local government legislative bodies for travel expenses are standardized. Members are entitled to reimbursement for reasonable expenses actually incurred in connection with official business, including subsistence and lodging while away from their residences. Members may also receive mileage for use of a privately-owned vehicle.

Cities, sewer districts, city planning commissions, city libraries, metropolitan park districts, weed districts, and intercounty weed districts are specifically authorized to reimburse their governing body members for travel expenses.

Units of local government are prohibited from providing greater insurance coverage to their governing body members than to their employees except for liability insurance.

A salary schedule is adopted for city council members in newly incorporated noncode cities. The salaries listed in this schedule apply only until a salary ordinance can be enacted and take effect. The salaries are set as follows:

- Cities of 20,000 or more: \$400 per month;
- Cities of 10,000 to 20,000: \$150 per month;
- Cities of 1,500 to 10,000: \$75 per month;
- Cities of less than 1,500: \$20 per meeting, no more than two meetings per month;
- The mayor receives an additional 25 percent of a member's salary.

City council members, county officers, and members of governing bodies in special districts such as diking and drainage districts may waive a portion or all of their compensation by filing a written waiver with the governing body. The waiver must be filed before the date on which the compensation would otherwise be paid, and must specify the time period for which it applies.

The conflict in the first-class city statutes pertaining to compensation is eliminated. Compensation in first-class cities is fixed by ordinance.

Public utility district commissioners may adopt a resolution to increase their monthly salaries up to an additional 50 percent as follows:

- Public utility districts with over \$15 million gross revenue: from \$500 per month up to \$750 per month;

- Public utility districts with gross revenue of \$2 million to \$5 million: from \$350 per month up to \$525 per month; and
- Public utility districts with gross revenue of less than \$2 million: from \$200 month up to \$300 per month.

If the governing board adopts a resolution approving an increase in compensation, the amount of compensation may be increased from \$50 per day up to \$66 per day, and the annual maximum compensation may be increased from \$4,800 up to \$6,336 (96 days) for governing board members of the following units of local government: school districts, METRO, fire districts, sewer districts, water districts, hospital districts, diking districts, drainage districts, diking/drainage/sewerage improvement districts, multi-county diking and drainage districts, flood control districts, and irrigation districts.

The amount of compensation for public utility district commissioners may be increased by resolution from \$50 per day up to \$66 per day, and the annual maximum compensation may be increased from \$7,000 up to \$9,240 (140 days). The amount of compensation for port district commissioners may be by resolution increased from \$50 per day up to \$66 per day, and the annual maximum compensation may be raised from \$4,800 up to \$6,336 (96 days) in port districts with gross operating income of less than \$25 million, and from \$6,000 up to \$7,920 (120 days) in port districts with gross operating income of at least \$25 million.

The amount of compensation for air pollution control authority board members and for air pollution control advisory council members is established at \$50 per day, and the annual maximum compensation is raised from \$1,000 up to \$1,350. The board may, by resolution, increase the per day rate of compensation up to \$66. The amount of compensation for board members of a reclamation district may be increased from \$5 up to \$10 per day.

Executive board members of an operating agency receive a salary of \$1,085 per month and may be reimbursed for reasonable travel expenses. All board members may provide by resolution for their own compensation of \$66 per day, up to a maximum of \$9,900 per year. The chair of the executive board is entitled to twice the salary and compensation available to other board members -- salary of \$2,170 per month, up to \$19,800 in compensation annually.

Board members of a public facilities district may adopt a resolution establishing reimbursement for expenses and providing compensation of up to \$66 per day for attending

meetings not to exceed \$3,000 per year, may waive their compensation, and may purchase liability insurance, as well as retaining counsel in any action brought against them. A board resolution may also be adopted to provide compensation and insurance for employees. Board members may purchase insurance that is made available to the district's employees at the board members' expense.

Amended Bill Compared to Engrossed Substitute Bill: The amended bill allows public utility district (PUD) commissioners to increase their salaries up to 50 percent by adopting a resolution. Increases in compensation must be authorized by the governing body. Technical amendments are made to correct terms and insert gender neutral language.

Fiscal Note: Not requested.

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

Testimony For: For public utility district commissioners, the current compensation and salary is not commensurate with the responsibility and technical knowledge required. There has been no increase in the PUD commissioners' salary since 1977. The \$66 level for compensation is equal to the amount paid to legislators.

Testimony Against: This is a very poor time to grant exorbitant PUD commissioner salary increases of about 117 percent. If enacted, a PUD commissioner in a county the size of Clark County, could receive an income of over \$16,450 if he or she attended only one meeting a week.

Witnesses: (Pro) Jane Van Dyke, Clark County PUD; (pro with concerns) R. V. Wachter, Clark County PUD "Watchdog" Group; Senator Mary Margaret Haugen, prime sponsor (pro); and Eric Johnson, Washington Public Ports Association.