

# HOUSE BILL REPORT

## HB 1679

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### As Reported by House Committee On: Appropriations

**Title:** An act relating to membership on the law enforcement officers' and firefighters' retirement system plan 2 board.

**Brief Description:** Determining membership on the law enforcement officers' and firefighters' retirement system plan 2 board.

**Sponsors:** Representatives Ericks, Hinkle, Conway, Buri, McDonald, Hurst, Haigh and Simpson; by request of LEOFF Plan 2 Retirement Board.

**Brief History:**

**Committee Activity:**

Appropriations: 2/1/07, 2/5/07 [DPS].

#### Brief Summary of Substitute Bill

- Removes the requirement that for appointments to fill vacancies after January 1, 2007, one of the three law enforcement officer members and one of the three fire fighter members of the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board (LEOFF 2 Board) be retired members.
- Changes the length of the initial terms of appointment of the three employer members of the LEOFF 2 Board to four-, five-, and six-year terms, and appointments of the employer members thereafter will be for four-year terms.
- Changes the initial terms of the Legislative members of the LEOFF 2 Board to five years and six months, and subsequent terms to two years, beginning on January 1 of odd-numbered years.

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### HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 32 members: Representatives Sommers, Chair; Dunshee, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Haler, Assistant

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Ranking Minority Member; Anderson, Buri, Chandler, Cody, Conway, Darneille, Dunn, Ericks, Fromhold, Haigh, Hunt, Hunter, Kagi, Kenney, Kessler, Kretz, Linville, McDermott, McDonald, McIntire, Morrell, Pettigrew, Priest, Schual-Berke, Seaquist, P. Sullivan and Walsh.

**Staff:** David Pringle (786-7310).

**Background:**

The Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board (LEOFF 2 Board) was created in 2003 by the passage of Initiative 790 in 2002. The LEOFF 2 Board is the board of trustees for the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2), and has the authority to administer LEOFF 2, as well as choose the economic assumptions and set the contribution rates for LEOFF 2 employees, employers, and the state.

The LEOFF 2 Board is composed of 11 members, including three members representing law enforcement officers, three members representing fire fighters, three members representing employers, one member of the Senate, and one member of the House of Representatives.

The member representatives are appointed by the Governor to six-year terms (initially staggered) from a list provided by a recognized statewide council of law enforcement or fire fighter labor associations. Beginning January 1, 2007, for filling vacancies in the law enforcement officer and fire fighter positions on the LEOFF 2 Board, at least one of each of the three positions must be filled by a retired member of LEOFF 2.

The three employer representatives are appointed by the Governor to four-year terms (not staggered), and all of these initial terms are scheduled to expire in 2007. The Senate member on the LEOFF 2 Board is appointed by the Governor based on the recommendation of the Majority Leader of the Senate to a four-year term, and the House of Representatives member is appointed by the Governor based on the recommendation of the Speaker of the House of Representatives to a four-year term.

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**Summary of Substitute Bill:**

The requirement that one of the law enforcement officers and one of the fire fighter positions on the LEOFF 2 Board be filled by a retired member for appointments made for vacancies after January 1, 2007, is removed. One LEOFF 2 Board member from each of the member groups may be either an active or retired member.

The terms of the initial three employer LEOFF 2 Board members are changed from four years to four, five and six years. Subsequent employer board member appointments are for four years.

The terms of the initial legislative members of the LEOFF 2 Board are changed to five years and six months. Subsequent legislative board member appointments are for two-year terms beginning on January 1 of odd-numbered years.

**Substitute Bill Compared to Original Bill:**

The substitute bill changes the terms of the initial legislator board member appointments to five years and six months as compared to four years and six months in the original bill to match the requirement in the bill that the legislator terms begin on January 1 of odd-numbered years.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) This bill will provide for improved continuity for the LEOFF 2 Board, and especially in regard to the employer representatives. All three of the employer representative terms expire next year, and all of them leaving will sap the board of valuable experience. The legislator change will also help match actual legislator terms of office better in the future. The retiree requirement in current law would greatly over-represent the retirees based on the distribution of actives and retirees in the short term.

(Opposed) None.

**Persons Testifying:** Shawn Merchant, Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board.

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