

HOUSE BILL REPORT

HB 1419

As Passed Legislature

Title: An act relating to county treasurers' duties concerning registered warrants.

Brief Description: Concerning county treasurers' duties.

Sponsors: Representatives Chapman and Goehner.

Brief History:

Committee Activity:

Local Government: 1/31/23, 2/3/23 [DP].

Floor Activity:

Passed House: 2/28/23, 97-0.

Passed Senate: 3/31/23, 48-0.

Passed Legislature.

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.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 6 members: Representatives Duerr, Chair; Alvarado, Vice Chair; Goehner, Ranking Minority Member; Berg, Griffey and Riccelli.

Staff: Elizabeth Allison (786-7129).

Background:

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

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 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: 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) A registered warrant is essentially a loan that the treasurer is giving a taxing district that is running low on money, typically toward the tax deadline. The taxing district has to pay interest to the county, but the law as currently written was drafted when most movement of money was done on paper and banks had a much more central role in handling

county money. The bill modernizes the language to match the way business is done now. It allows county treasurers to contract with a district and loan funds without mandates that don't apply in today's world.

(Opposed) None.

Persons Testifying: Jeff Gadman, Washington Association of County Officials and Washington State Association of County Treasurers; and Lisa Frazier, Washington State Association of County Treasurers.

Persons Signed In To Testify But Not Testifying: None.