

# HOUSE BILL REPORT

## ESHB 2025

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*As Amended by the Senate*

**Title:** An act relating to employee payroll deductions.

**Brief Description:** Permitting employee payroll deductions to be deposited into banks or savings banks.

**Sponsor(s):** By House Committee on State Government (originally sponsored by Representatives Brumsickle, Bowman, Rasmussen, Basich, Paris and Winsley).

**Brief History:**

Reported by House Committee on:  
State Government, January 28, 1992, DPS;  
Appropriations, February 10, 1992, DPS(SG-A APP);  
Passed House, February 17, 1992, 97-0;  
Amended by Senate.

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**HOUSE COMMITTEE ON  
STATE GOVERNMENT**

**Majority Report:** *The substitute bill be substituted therefor and the substitute bill do pass.* Signed by 9 members: Representatives Anderson, Chair; Pruitt, Vice Chair; McLean, Ranking Minority Member; Bowman, Assistant Ranking Minority Member; R. Fisher; Grant; Moyer; O'Brien; and Sheldon.

**Staff:** Linda May (786-7135).

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**HOUSE COMMITTEE ON  
APPROPRIATIONS**

**Majority Report:** *The substitute bill by Committee on State Government be substituted therefor and the substitute bill as amended by Committee on Appropriations do pass.* Signed by 27 members: Representatives Locke, Chair; Inslee, Vice Chair; Spanel, Vice Chair; Silver, Ranking Minority Member; Morton, Assistant Ranking Minority Member; Appelwick; Belcher; Bowman; Braddock; Brekke; Carlson; Dorn; Ferguson; Fuhrman; Hine; Lisk; May; Mielke; Nealey; Peery; Pruitt; Rust; D. Sommers; H. Sommers; Sprenkle; Valle; and Wang.

**Staff:** Barbara McLain (786-7153).

**Background:** Public officers and employees may authorize deductions from their wages and salaries for certain purposes. Examples of deductions which employees may authorize include payments toward parking fees, U.S. savings bonds, and employee organization dues. Public employees may authorize a deduction for payment to a credit union, on two conditions: 1) that the credit union is organized solely for public employees, and 2) that a certain number of public employees have authorized deductions for payment to that same credit union. There is no provision in the law which would allow deductions for payments to banks, savings banks, or savings and loan associations.

**Summary of Bill:** A new provision is added to allow public employees to authorize deductions for payments to banks, savings banks, or savings and loan associations. Payments to any of these institutions would be allowed if two conditions are met: 1) the institution must be authorized to do business in the state, and 2) a certain minimum number of public employees must authorize deductions for payments to the same institution. Also, public employees may authorize deductions to credit unions other than those organized solely for public employees, as long as the required minimum number of employees have authorized deductions to the same credit union.

**EFFECT OF SENATE AMENDMENT(S):** As the bill passed the House, payments to credit unions, banks, savings banks, or savings and loan associations are permitted only if deductions are authorized by at least 50 employees of a single state agency or at least 100 state employees. The Senate amendment removes this requirement. The Senate amendment also expands the authorized deduction program to local government employees.

**Fiscal Note:** Available.

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

**Testimony For:** (State Government): This bill will allow employees who use banks and savings banks to participate in the authorized deduction program. It would be nice to open up more credit unions to participation in the program. All of this provides more choice for state employees. Before the age of computers, these kinds of automatic transfers were probably very difficult, but now with computers it is much easier.

(Appropriations): None.

**Testimony Against:** (State Government): None.

(Appropriations): None.

**Witnesses:** (State Government): Representative Bill Brumsickle; Gary Gardner, Washington Credit Union League; and Trevor Sandison, Washington Bankers Association (all in favor).

(Appropriations): None.

**VOTE ON FINAL PASSAGE:**

Yeas 97; Absent 1

Absent: Representative Brekke