

SENATE BILL REPORT

ESHB 2025

AS REPORTED BY COMMITTEE ON GOVERNMENTAL OPERATIONS,  
FEBRUARY 25, 1992

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

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

HOUSE COMMITTEE ON STATE GOVERNMENT

HOUSE COMMITTEE ON APPROPRIATIONS

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

**Majority Report:** Do pass as amended.

Signed by Senators McCaslin, Chairman; Roach, Vice Chairman; Madsen, and Sutherland.

**Staff:** Rod McAulay (786-7754)

**Hearing Dates:** February 25, 1992

**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:**

Public employees may 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.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

**SUMMARY OF PROPOSED SENATE AMENDMENT:**

The requirement that 50 employees from one agency or 100 employees statewide need to participate in order to set up a deduction program is deleted. The program is extended to local government employees.

**TESTIMONY FOR:**

State employees are enabled to set up savings programs at banks, credit unions and savings and loans. The amendments will expand opportunity to local government employees and remove numerical participation requirements.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Trevor Sandison, WBA; T. K. Bentler, SECCA; Mike Ryherd, Local Govt. Employees