

# HOUSE BILL REPORT

## SHB 1583

---

### As Amended by the Senate

**Title:** An act relating to county auditors.

**Brief Description:** Modifying provisions relating to county auditors.

**Sponsors:** House Committee on Local Government & Housing (originally sponsored by Representatives Alexander, Simpson, Angel, Miloscia, Short and Nelson).

#### **Brief History:**

##### **Committee Activity:**

Local Government & Housing: 2/5/09, 2/11/09 [DPS].

##### **Floor Activity**

Passed House: 2/27/09, 94-0.

Senate Amended.

Passed Senate: 4/9/09, 44-0.

#### **Brief Summary of Substitute Bill**

- Amends numerous statutes pertaining to the duties of county auditors in order to clarify existing law, delete obsolete statutory provisions, streamline county procedures, eliminate outdated practices and archaic language, and make technical corrections.
- Repeals various county auditor statutes regarding procedural requirements for handling school district funds and other statutory duties.

---

### HOUSE COMMITTEE ON LOCAL GOVERNMENT & HOUSING

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Simpson, Chair; Nelson, Vice Chair; Angel, Ranking Minority Member; Ericksen, Assistant Ranking Minority Member; Cox, Miloscia, Short, Springer and White.

**Staff:** Thamas Osborn (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 a part of the legislation nor does it constitute a statement of legislative intent.*

The county auditor records deeds and other written instruments. The auditor is also required to charge fees for service and to act as clerk for the board of county commissioners. The county auditor is authorized to copy, preserve, and index documents filed with the county. Other duties of the auditor include:

- monitoring the financial condition and operations of the county and other public entities within the county;
- recording the county treasurer's reports regarding county receipts and disbursements;
- filing yearly reports with the state auditor regarding state funds held by the county;
- complying with procedural requirements regarding processing and record-keeping related to warrants issued out of funds controlled by a county.

### **Summary of Substitute Bill:**

Generally, the substitute bill does the following:

Amends numerous statutes pertaining to the duties of county auditors in order to clarify existing law, delete obsolete statutory provisions, streamline county procedures, eliminate outdated practices and archaic language, and make technical corrections.

Adds a specific reference to the statutory definition of "credit union" in a legal provision regarding charitable donations.

Eliminates technical procedural requirements regarding the paperwork that must be completed by a county auditor prior to paying a salary to county officers.

Eliminates specified technical requirements pertaining to an auditor's duties to report annually on the status of a county's state fund account, and authorizes the state auditor to create his or her own standards for such reporting by county auditors.

Eliminates statutory language specifically requiring that surcharges for the filing of written instruments be deposited in a county's general fund.

Deletes specified technical statutory requirements for elected county officials regarding how they must keep records of the inventory of a county's capitalized assets. Eliminates criminal penalties applicable to commissioners who willfully make any false or misleading statements regarding these county inventories. Increases the monetary penalties that may be assessed against a county official who fails to file the requisite capitalized asset inventory with the county auditor in timely fashion.

Authorizes a charter county's chief financial officer, in lieu of a county auditor, to provide specified revenue and expenditure information to various county officials.

Makes clarifying technical changes to several statutes referencing a county's "chief financial officer" so as to modify the references to read "chief financial officer designated in a charter county."

Requires a "chief financial officer designated in a charter county" to submit an annual budget to the board of county commissioners. Current law places this requirement only on a county auditor.

Revises statute making a county official and/or auditor personally liable for liabilities incurred or payments made by him or her in excess of authorized budget appropriations. Deletes provisions requiring that such county official or auditor pay penalties four times the amount of the unauthorized debt or expenditure.

Simplifies the requirements imposed on county auditors and special purpose districts regarding reporting to the state auditor regarding newly created districts.

Repeals the following statutes in the Revised Code of Washington:

- 28A.350.010 - requires auditors to comply with technical procedural requirements with respect to warrants issued by school districts;
- 28A.350.020 - requires auditors to register warrants of second-class school districts with the treasurer;
- 28A.350.030 - requires auditors to audit the accounts all school districts within their counties;
- 28A.350.040 - requires auditors to issue warrants for specified types of payments from the accounts of second class school districts;
- 28A.350.050 - prohibits an auditor from issuing a warrant for the payment of the salary of a teacher who does not meet teacher qualification requirements;
- 28A.350.060 - makes an auditor personally liable for the issuance of school district warrants exceeding the sums specified in the district's annual budget;
- 28A.350.070 - prohibits an auditor from issuing warrants on behalf of second-class school districts except to specified categories of individuals or firms;
- 36.18.110 - creates requirement for salaried county and precinct officers to report receipt of fees to the county auditor;
- 36.18.120 - establishes a requirement that an auditor check certain statements and creates procedural requirements; and
- 36.18.130 - creates procedural requirements applicable to county auditors regarding reporting of any errors or irregularities discovered by a checking officer.

#### **EFFECT OF SENATE AMENDMENT(S):**

The Senate amendment deletes Section 6 of the substitute House bill in its entirety. This deleted section includes amendatory provisions that: (1) eliminate technical statutory requirements for elected county officials regarding maintaining records of the inventory of a county's capitalized assets; and (2) eliminate criminal penalties applicable to county commissioners who fail to file inventory statements or willfully make any false or misleading statements regarding such inventories.

**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) The bill revises many state laws pertaining to the regulation of county auditors and repeals numerous obsolete statutes regarding county auditor functions with respect to school districts. Most of the bill involves minor terminology revisions for the purpose of clarifying statutory language. The role of county auditor versus that of "chief financial officer" is clarified. The use of vouchers is replaced by the use of warrants because vouchers are no longer used. Obsolete provisions allowing the imposition of criminal penalties against auditors who make errors are eliminated. By and large, the bill simply cleans up old statutes to make them consistent with the actual, current practices of auditors. Some of these statutes are over 100 years old. The bill needs some technical amendments and some sections may need to be deleted because they pertain to county treasurers rather than auditors.

(Opposed) None.

**Persons Testifying:** Representative Alexander, prime sponsor; Skip Moore and Brad Posenjak, Chelan County; and Rose Bowman, Lewis County Treasurer and Washington State Association of County Treasurers.

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