

# SENATE BILL REPORT

## SHB 1583

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As of March 24, 2009

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

**Committee Activity:** Government Operations & Elections: 3/23/09.

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

**Staff:** Sharon Swanson (786-7447)

**Background:** The county auditor records deeds and other written instruments. The auditor must also charge fees for service and 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 county 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 Bill:** Numerous statutes are amended pertaining to the duties of county auditors in order to clarify existing law, deleting obsolete statutory provisions, streamlining county procedures, eliminating outdated practices and archaic language, and making technical corrections.

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

Technical procedural requirements pertaining to an auditor's duties to report annually on the status of a county's state fund account are eliminated, and the state auditor is authorized to create his or her own standards for such reporting by county auditors.

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

Specified technical statutory requirements for elected county officials regarding how they must keep records of the inventory of a county's capitalized assets are deleted. Criminal penalties applicable to commissioners who willfully make any false or misleading statements regarding these county inventories are eliminated. 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 a timely fashion are increased.

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

Technical changes to several statutes referencing a county's "chief financial officer" are clarified so as to modify the references to read "chief financial officer designated in a charter county."

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

Statute is revised 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. Provisions are deleted requiring that such county official or auditor pay penalties four times the amount of the unauthorized debt or expenditure.

The requirements imposed on county auditors and special purpose districts regarding reporting to the state auditor about newly created districts are simplified.

The following statutes in the RCW are repealed:

- 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 of 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.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: This 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. Obsolete provisions allowing the imposition of criminal penalties against auditors who make errors are eliminated. This is a technical cleanup bill.

CON: Passage of this bill would be a big step backward in terms of accountability for our public officials. Citizens currently have the ability to protest corrupt practices. This bill removes a citizen's right to institute an action against an auditor independent of a prosecuting attorney.

**Persons Testifying:** PRO: Representative Alexander, prime sponsor; Brad Posenjak, Chelan County Auditor.

CON: Arthur West, citizen.