

SENATE BILL REPORT

SB 6114

As Reported by Senate Committee On:
Governmental Operations, January 28, 2014

Title: An act relating to local government treasury practices and procedures.

Brief Description: Revising local government treasury practices and procedures.

Sponsors: Senators Benton and Cleveland.

Brief History:

Committee Activity: Governmental Operations: 1/27/14, 1/28/14 [DP].

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Majority Report: Do pass.

Signed by Senators Roach, Chair; Conway, Dansel and McCoy.

Staff: Karen Epps (786-7424)

Background: County treasurers have various duties and authorities relating to the receipt, processing, and disbursement of funds. County treasurers are the custodian of the county's funds and the administrator of the county's financial transactions. In addition to their duties relating to county functions, county treasurers provide financial services to special purpose districts and other units of local government including receipt, disbursement, investment, and accounting of the funds for each of these entities. Usually, these units of local government submit information about bills to be paid to the county auditor who then issues warrants and sends them to the county treasurer for payment.

County treasurers are authorized to use funds from a county investment pool to create a revolving fund. Expenditures from the fund are made to reimburse the treasurer's office for the actual expenses it incurs from the initial administrative costs of establishing the county investment pool.

County treasurers are authorized to collect taxes, assessments, fees, rates, and charges by electronic bill presentment and payment. Electronic bill presentment and payment includes an automatic electronic payment from a person's checking account, debit account, or credit card. With limited exceptions, a person using an acceptable electronic payment form must bear the cost of processing the transaction in an amount determined by the treasurer. The

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cost determination must be based upon costs incurred by the treasurer and may not exceed the additional direct costs incurred by the county to accept the specific form of payment utilized by the payer.

Summary of Bill: The treasurer or the person in the treasurer's office who is authorized by the treasurer to handle the daily investment activities of an investment pool must obtain at least 24 hours of continuing education annually. An employee who holds a Chartered Financial Analyst (CFA) designation may meet the continuing education requirement by completing a continuing education program sponsored by the CFA Institute or its successor organization. An employee who does not hold a CFA designation may meet the continuing education requirement by tracking the hours the employee spends completing investment-related courses or training, through self-study, or by reading investment-related books or articles. Documentation must be submitted to the treasurer of an employee's compliance with the continuing education requirement.

A county treasurer must base their credit card transaction costs on costs incurred by the treasurer and those costs cannot exceed the direct costs incurred. A county treasurer cannot charge a fee for payments of taxes paid by automatic clearinghouse, federal wire, or other electronic communication. Any interest or penalties associated with credit card transactions may be absorbed by the unit of local government that assesses the payment transaction.

A local government officer may issue a duplicate warrant for the payment of money in the case of a lost or destroyed warrant under certain circumstances. The local government officer must obtain a written affidavit from the person requesting a duplicate warrant with the date of issue; the number, amount, and the purpose of the original warrant; and whether it has been lost, destroyed, not received, or not paid. If the original and the duplicate are both presented for payment as a result of forgery or fraud, the local government officer must endeavor to recover any losses suffered by the local government. The duplicate instrument is subject to the same provisions of law as the original instrument.

Appropriation: None.

Fiscal Note: Not requested.

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 came out of recommendations from the county treasurer's legal counsel. This bill will allow for improved efficiencies in tax collection and fraud protection. This bill provides a better description of what the county treasurer actually does in terms of being the custodian of the public's funds. This bill allows county treasurers to encourage customers to transact business over the Internet in an effort to reduce costs. This bill eliminates outdated practices by updating a 1979 statute to meet current financial accounting standards as it relates to lost warrant procedures. The change in the bill would provide greater control in check fraud protection.

Persons Testifying: PRO: Doug Lasher, Clark County Treasurer.