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**ENGROSSED HOUSE BILL 2442**

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**State of Washington**

**63rd Legislature**

**2014 Regular Session**

**By** Representatives Moscoso, Robinson, Ryu, Tarleton, Stanford, and Tharinger

Read first time 01/17/14. Referred to Committee on Local Government.

1       AN ACT Relating to electronic salary and wage payments by counties;  
2 amending RCW 41.04.240; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4       **Sec. 1.** RCW 41.04.240 and 2013 c 164 s 1 are each amended to read  
5 as follows:

6       (1) Except with regard to institutions of higher education as  
7 defined in RCW 28B.10.016, any official of the state or of any  
8 political subdivision, municipal corporation, or quasi-municipal  
9 corporation authorized to disburse funds in payment of salaries and  
10 wages of employees is authorized upon written request of at least  
11 twenty-five employees to pay all or part of such salaries or wages to  
12 any financial institution for either: (a) Credit to the employees'  
13 accounts in such financial institution; or (b) immediate transfer  
14 therefrom to the employees' accounts in any other financial  
15 institutions.

16       (2) In disbursing funds for payment of salaries and wages of  
17 employees, institutions of higher education as defined in RCW  
18 28B.10.016 are authorized to require the following payment methods:

1 (a) For employees who have an account in a financial institution,  
2 payment to any financial institution for either: (i) Credit to the  
3 employees' accounts in such financial institution; or (ii) immediate  
4 transfer therefrom to the employees' accounts in any other financial  
5 institutions; and

6 (b) For employees who do not have an account in a financial  
7 institution, payment by alternate methods such as payroll cards.

8 (3) Nothing in this section shall be construed as authorizing any  
9 employer to require the employees to have an account in any particular  
10 financial institution or type of financial institution. A single  
11 warrant may be drawn in favor of such financial institution, for the  
12 total amount due the employees involved, and written directions  
13 provided to such financial institution of the amount to be credited to  
14 the account of an employee or to be transferred to an account in  
15 another financial institution for such employee. The issuance and  
16 delivery by the disbursing officer of a warrant in accordance with the  
17 procedure set forth herein and proper indorsement thereof by the  
18 financial institution shall have the same legal effect as payment  
19 directly to the employee.

20 (4) Conservation districts as established and authorized under  
21 chapter 89.08 RCW are exempt from the requirement to obtain a written  
22 request of twenty-five employees as required in subsection (1) of this  
23 section, and may disburse funds in payment of salaries and wages of  
24 employees consistent with this chapter and RCW 89.08.215.

25 (5) Counties, in disbursing funds for payment of salaries and wages  
26 of employees in accordance with subsection (1) of this section, may  
27 elect to use the payment methods established in subsection (2)(a) and  
28 (b) of this section for all employees. Use of the disbursement methods  
29 authorized by this subsection (5) must be approved, by ordinance, by  
30 the county legislative authority.

31 (6) For the purposes of this section "financial institution" means  
32 any bank or trust company established in this state pursuant to chapter  
33 2, Title 12, United States Code, or Title 30 RCW, and any credit union  
34 established in this state pursuant to chapter 14, Title 12, United  
35 States Code, or chapter 31.12 RCW, and any mutual savings bank  
36 established in this state pursuant to Title 32 RCW, and any savings and  
37 loan association established in this state pursuant to chapter 12,  
38 Title 12, United States Code, or Title 33 RCW.

1        NEW\_SECTION.    **Sec. 2.**    (1) The Washington state institute for  
2 public policy must conduct a study of all counties that elect to  
3 disburse funds in accordance with RCW 41.04.240(5) for payment of  
4 salaries and wages for all county employees. This study must identify:  
5        (a) The percentages of county employees who receive payment of  
6 salaries and wages under RCW 41.04.240(2)(a) and under RCW  
7 41.04.240(2)(b); and  
8        (b) With regard to county employees' salaries and wages that are  
9 disbursed in accordance with RCW 41.04.240(2)(b):  
10        (i) The average amount and range of salaries and wages disbursed  
11 under RCW 41.04.240(2)(b);  
12        (ii) Each method of payment used to disburse funds; and  
13        (iii) Whether each method of payment used to disburse funds is  
14 subject to a fee or charge and the amount of the fee or charge, if any.  
15        (2) The Washington state institute for public policy must report  
16 its findings to the legislature by December 31, 2014.

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