

HOUSE BILL REPORT

HB 2391

As Reported by House Committee On:
Local Government

Title: An act relating to county payroll draw days.

Brief Description: Concerning county payroll draw days.

Sponsors: Representatives McCabe, Appleton, Griffey, Tharinger, Springer, Peterson, McBride, Manweller, Johnson, Reykdal, Chandler, Fitzgibbon, Dent, Kochmar, Wilcox, Pike and Moscoso.

Brief History:

Committee Activity:

Local Government: 1/21/16, 1/26/16 [DP].

Brief Summary of Bill

- Modifies draw-day procedures applicable in a county that pays its officers and employees once a month by increasing the amount of salary paid on the draw day and allowing payroll deductions from salary paid on the draw day.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 9 members: Representatives Appleton, Chair; Gregerson, Vice Chair; Taylor, Ranking Minority Member; Griffey, Assistant Ranking Minority Member; Fitzgibbon, McBride, McCaslin, Peterson and Pike.

Staff: Cassie Jones (786-7303).

Background:

State law authorizes counties to pay their officers and employees according to these different methods:

- *Weekly or Biweekly Pay.* The legislative authority of any county may establish a weekly or biweekly pay period where county officers and employees receive their compensation not later than seven days after the end of each pay period for services rendered during that pay period. If the county has assumed the rights, powers,

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functions, and obligations of a metropolitan municipal corporation, county officers and employees receive their compensation not later than 13 days following the end of each pay period for services rendered during that pay period.

- *Semi-Monthly Pay.* The salaries of county officers and employees of counties with a population of greater than 5,000 may be paid twice monthly. For services rendered from the first to the fifteenth day of the month, compensation is paid not later than the last day of the month. For services rendered from the sixteenth to the last day of the month, compensation must be paid not later than the fifteenth day of the following month.
- *Once-a-Month Pay.* The county legislative authorities of counties with populations greater than 5,000 that do not adopt weekly, biweekly, or semi-monthly pay must designate the first pay period as a draw day. The draw day must be not later than the last day of each month. Employees must be paid no more than 40 percent of their earned monthly salary on the draw day, and payroll deductions cannot be deducted from the salary paid on the draw day. The balance of the earned monthly salary must be paid not later than the fifteenth day of the following month. In counties with a population of less than 5,000, salaries may be paid monthly and the legislative authority may adopt the draw-day procedure.

Summary of Bill:

The draw day procedure for once-a-month pay is modified so that not more than 50 percent of earned salary is paid on the draw day. Additionally, payroll deductions may be deducted from salary that is paid on the draw day.

Appropriation: None.

Fiscal Note: Not requested.

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) This bill aligns state and federal laws regarding payroll. Some counties use a monthly payroll. Because taxes are not taken out of the draw-day pay, the counties are out of compliance with the Internal Revenue Service. This bill would allow a county to comply with the federal government and not be fined. The increase to 50 percent of their monthly draw is for the convenience of the employee so in cases where federal deductions are made on the draw, the draw can also be increased to 50 percent. This bill would allow the counties to comply with federal laws without having to bear the costs of a new payroll system.

(Opposed) None.

Persons Testifying: Representative McCabe, prime sponsor; and Charles Ross, Yakima County Auditor.

Persons Signed In To Testify But Not Testifying: None.