

HOUSE BILL REPORT

HB 2719

As Reported by House Committee On: Local Government

Title: An act relating to the size of cities that must establish a law enforcement officers' and firefighters' retirement system plan 1 disability board.

Brief Description: Concerning the size of cities that must establish a law enforcement officers' and firefighters' retirement system plan 1 disability board.

Sponsors: Representatives Vick and Harris.

Brief History:

Committee Activity:

Local Government: 1/23/18, 2/1/18 [DPS].

Brief Summary of Substitute Bill

- Increases the population size of cities that must establish a Law Enforcement Officers' and Fire Fighters' Retirement System Plan 1 disability board.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 5 members: Representatives Appleton, Chair; McBride, Vice Chair; Griffey, Ranking Minority Member; Gregerson and Peterson.

Minority Report: Do not pass. Signed by 1 member: Representative Taylor.

Staff: Yvonne Walker (786-7841).

Background:

The Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 1 provides retirement and disability benefits to law enforcement officers and firefighters who entered eligible employment between 1969 and 1977. Since 1977 eligible law enforcement officers and firefighters have entered the LEOFF Plan 2.

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.

Decisions on eligibility for LEOFF Plan 1 disability and medical benefits are made by city and county LEOFF Plan 1 disability boards. Disability benefits may be granted by LEOFF Plan 1 disability boards to members in LEOFF Plan 1 for both duty-related and nonduty-related causes. In addition to disability benefits, the LEOFF Plan 1 is unique among state retirement system plans in that retiree benefits include coverage for all necessary medical services.

Each city with a population of 20,000 or more has a LEOFF Plan 1 disability board. Each county also has a disability board, and these county boards have jurisdiction over LEOFF Plan 1 members who are not employed in a city with its own disability board. The LEOFF Plan 1 city disability boards have five members:

- two members of the city legislative body;
- one member of the public, who resides in the city and is appointed by the other members of the disability board;
- one active or retired firefighter member representing firefighters; and
- one active or retired law enforcement officer representing law enforcement officers.

Each member of the LEOFF Plan 1 disability board serves a two-year term.

Summary of Substitute Bill:

Each city with a population of 30,000 (rather than 20,000) must establish a city LEOFF Plan 1 disability board that has jurisdiction over all members employed by that city. A city must maintain its existing city-operated disability board if: (1) the city has a population of at least 20,000; and (2) the city's respective disability board was established on or before the effective date of the bill.

If a city has: (1) a population that reaches 20,000 after the effective date of the bill; (2) never established a city-operated disability board; and (3) entered into an interlocal agreement with the county; then the county must establish a county disability board that has responsibility over all members employed by that city.

In addition, a county-operated disability board must continue to carry out the disability benefits as provided by the county board for all members employed by or retired from the county and those members who are not employed in a city with its own city disability board.

Substitute Bill Compared to Original Bill:

The amendment adds provisions that require: (1) a city with a population of 30,000 (rather than 20,000) or more to establish a city disability board; (2) a city to maintain its current city disability board if the city has an existing city disability board and has a population of at least 20,000; and (3) a county to operate a county disability board for cities whose population reaches 20,000 after the effective date of the bill if the city has never had an existing city disability board and the city has entered into an interlocal agreement with the county to have jurisdiction over the members employed by the city.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Once the population of a city reaches 20,000, the city is assigned more responsibilities such as paying for roads and providing additional services. One of those additional tasks is taking on the responsibility of operating their own LEOFF disability board. There are approximately 30 cities with a population ranging between 20,000 to 30,000 people. Many of these cities are happy to pay their obligations for LEOFF; however, they do not want to seat a board, pay a per diem, and pay staff time when they can simply enter into an interlocal agreement with their county to provide the service. This bill is a simple relief measure for some of the smaller cities that are growing. The intent of this bill is not to alter the LEOFF system or change how payments are dispersed. This bill is a modest efficiency measure.

(Opposed) None.

(Other) Although there is support for the bill, there are other considerations. Such as, why would a city not want to form its own disability board at the benchmark of 20,000 people? Cities should retain the opportunity if they so desire to create a board at 20,000. A city may want a voice in establishing a benefit level for retired firefighters, police officers, and active people that are still working under the LEOFF 1 law. They may also want to administer the disability and retirement system and monitor the costs and not subcontract these duties out to the county. Based on research there are approximately 11 cities that may approach a population of 30,000 in 2018. Cities should be given the option to create their own disability board if they so choose.

This bill needs an amendment that excludes those cities that already have a disability board in effect at the present time. Placing these cities under the county board would create an assortment of problems. Counties would be in a position to administer numerous levels of benefits for each of the cities that would be going back into the county's system. This could possibly result in an increase or decrease in benefits depending upon what the county or city currently pays. This bill needs further consideration and study.

Persons Testifying: (In support) Representative Vick, prime sponsor; and Lloyd Halverson, City of Camus, City of Battle Ground, and Association of Washington Cities.

(Other) Dick Warbrouck, Retired Fire Fighters of Washington.

Persons Signed In To Testify But Not Testifying: None.