

SENATE BILL REPORT

SB 6046

As of January 14, 2020

Title: An act relating to special purpose district commissioner compensation.

Brief Description: Concerning special purpose district commissioner compensation.

Sponsors: Senator Takko.

Brief History:

Committee Activity: Local Government: 1/14/20.

Brief Summary of Bill

- Changes the date the Office of Financial Management must begin adjusting the compensation threshold for inflation for various special purpose district commissioners, board members, supervisors, and directors.

SENATE COMMITTEE ON LOCAL GOVERNMENT

Staff: Greg Vogel (786-7413)

Background: Every five years, beginning on July 1, 2008, the Office of Financial Management (OFM) must adjust the commissioner compensation threshold amount for inflation for various special purpose district commissioners, board members, supervisors, and directors. The adjustment is based on changes in the consumer price index for wage earners and clerical workers, as compiled by the United States Bureau of Labor Statistics. In 2017, fire protection districts changed the date when OFM must begin adjusting the commissioner compensation threshold for inflation from July 1, 2008, to January 1, 2019.

As of July 1, 2018, the new dollar threshold for commissioners, board members, supervisors, and directors is \$128 per day and the new annual compensation limit is \$12,288 for the following districts:

- metropolitan park districts;
- cemetery districts;
- public hospital districts;
- diking districts;

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- drainage districts;
- water-sewer districts;
- diking, drainage, and sewerage improvement districts;
- diking and drainage districts in two or more counties;
- consolidated diking, drainage, diking improvement, and drainage improvement districts;
- flood control districts;
- flood control zone districts; and
- irrigation districts.

For fire protection districts, the same adjustments occurred January 1, 2019. Port districts, public utility districts, and public transportation benefit areas also receive compensation adjustments, but the amounts depend upon the gross operating income or gross revenue of the district.

As of July 1, 2018, the new dollar threshold per diem compensation for port districts is \$128 per day. The new annual per diem compensation limit is \$12,288 for port districts with a gross operating income of less than \$25 million in the preceding calendar year, and \$15,360 for port districts with a gross operating income of \$25 million or more. The new monthly commissioner salary for port districts with a gross operating income of \$25 million or more is \$713, and \$285 for port districts with a gross operating income from \$1 million to less than \$25 million.

As of July 1, 2018, the new dollar threshold per diem compensation for public utility districts is \$128 per day, with a new annual per diem compensation limit of \$17,920. The new monthly commissioner salary is \$2,567 per month for public utility districts with gross revenue over \$15 million in the preceding fiscal year, and \$1,854 per month for such districts with gross revenue from \$2 million to \$15 million per fiscal year. For public utility districts with gross revenue of less than \$2 million per fiscal year, the new monthly salary is \$856 per month.

As of July 2018, the new dollar threshold for regular members of a public transportation benefit authority is \$63 per day, with a new annual compensation limit of \$4,725. The authority may, by resolution, increase the per diem compensation to \$128 per day, with a new annual compensation limit of \$9,600. The new dollar threshold for the chair is \$63 per day with a new annual compensation limit of \$6,300. The authority may, by resolution, increase the per diem compensation to \$128 per day, with a new annual compensation limit of \$12,800.

Summary of Bill: OFM must begin adjusting the compensation threshold for inflation for various special purpose district commissioners, board members, supervisors, and directors on January 1, 2024, instead of July 1, 2008.

Appropriation: None.

Fiscal Note: Requested on January 9, 2020.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: This bill changes the date for this adjustment for these districts from July to January in order to make them all consistent. A few years ago this change was made for fire districts for budgeting reasons. The thought here is that it would be more efficient to do a bill for all districts.

This bill is helpful for water-sewer districts and auditors. The per diem effective date is off by six months. Auditors always require districts to go half and half to implement, which has been a real problem, requiring extra hours and costs. There is a house bill that only speaks to water-sewer districts—the coalition is fine with either.

OTHER: There is certainly a method to the madness in reducing bills that come before the committee. The association is currently checking with PUDs—they may prefer the status quo, they may see the logic in going to a calendar year approach. The association understands the thinking on the bill and will get back to the committee on a final opinion.

Persons Testifying: PRO: Senator Dean Takko, Prime Sponsor; Steve Lindstrom, Sno-King Water District Coalition.

OTHER: Bill Clarke, Washington PUD Association.

Persons Signed In To Testify But Not Testifying: No one.