

NEW SECTION. Sec. 16. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House May 6, 1983.

Passed the Senate May 6, 1983.

Approved by the Governor May 14, 1983, with the exception of sections 11, 12, and 13, which were vetoed.

Filed in Office of Secretary of State May 14, 1983.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to three sections, Substitute House Bill No. 39, entitled:

"AN ACT Relating to sunset review."

Sections 11, 12, and 13 of this bill were amended into the bill in an attempt to clarify state regulation of escrow agents. The current regulatory picture is unclear as a result of the Supreme Court's issuance of Admission to Practice Rule 12, which became effective January 21, 1983. I agree that a resolution to the many questions of escrow agent regulation must be reached, and have directed the Department of Licensing to work with the Supreme Court toward this end. Unfortunately, these three sections would merely raise additional separation of powers questions. In addition, their content is inconsistent with the bill's title.

With the exceptions of sections 11, 12, and 13, Substitute House Bill No. 39 is approved."

CHAPTER 28

[Second Substitute House Bill No. 295]

STATE EMPLOYEES PAY PERIOD—TWICE A MONTH—APPROPRIATION

AN ACT Relating to state officers and employees; amending section 2, chapter 208, Laws of 1957 as last amended by section 53, chapter 151, Laws of 1979 and RCW 41.04.036; amending section 5, chapter 59, Laws of 1969 as last amended by section 1, chapter 120, Laws of 1980 and RCW 41.04.230; amending section 1, chapter 130, Laws of 1891 as last amended by section 68, chapter 151, Laws of 1979 and RCW 42.16.010; amending section 8, chapter 25, Laws of 1967 ex. sess. as amended by section 72, chapter 151, Laws of 1979 and RCW 42.16.017; adding a new section to chapter 41.04 RCW; creating new sections; and making an appropriation.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 1, chapter 130, Laws of 1891 as last amended by section 68, chapter 151, Laws of 1979 and RCW 42.16.010 are each amended to read as follows:

~~((The salaries of))~~ (1) Except as provided otherwise in subsection (2) of this section, all state officers and employees shall be paid ~~((monthly on the last day of each month unless the director of financial management shall establish different dates in accordance with RCW 42.16.017. PROVIDED; That the director of financial management may adopt or authorize adoption of semimonthly or more frequent payment schedules for state agencies, in~~

~~his discretion: AND PROVIDED FURTHER, That schedules for the payment of compensation more often than semimonthly may be adopted only upon the written requests of state agencies, and only for the purpose of conforming state payment schedules for classes of employees in specific trades or occupations to customary schedules prevailing in private industries)) for services rendered from the first day of the month through the fifteenth day of the month and for services rendered from the sixteenth day of the month through the last calendar day of the month. Paydates for these two pay periods shall be established by the director of financial management through the administrative hearing process and the official paydates shall be established six months prior to the beginning of each subsequent calendar year. Under no circumstance shall the paydate be established more than ten days after the pay period in which the wages are earned except when the designated paydate falls on Sunday, in which case the paydate shall not be later than the following Monday. Payment shall be deemed to have been made by the established paydates if: (a) The salary warrant is available at the geographic work location at which the warrant is normally available to the employee; or (b) the salary has been electronically transferred into the employee's account at the employee's designated financial institution; or (c) the salary warrants are mailed at least two days before the established paydate for those employees engaged in work in remote or varying locations from the geographic location at which the payroll is prepared, provided that the employee has requested payment by mail.~~

~~The office of financial management shall develop the necessary policies and operating procedures to assure that all remuneration for services rendered including basic salary, shift differential, standby pay, overtime, penalty pay, salary due based on contractual agreements, and special pay provisions, as provided for by law, personnel board rules, agency policy or rule, or contract, shall be available to the employee on the designated paydate. Overtime, penalty pay, and special pay provisions may be paid by the next following paydate if the postponement of payment is attributable to: The employee's not making a timely or accurate report of the facts which are the basis for the payment, or the employer's lack of reasonable opportunity to verify the claim.~~

~~Compensable benefits payable because of separation from state service shall be paid with the earnings for the final period worked unless the employee separating has not provided the agency with the proper notification of intent to terminate.~~

~~One-half of the employee's basic monthly salary shall be paid in each pay period. Employees paid on an hourly basis or employees who work less than a full pay period shall be paid for actual salary earned.~~

~~(2) Subsection (1) of this section shall not apply in instances where it would conflict with contractual rights or, with the approval of the office of~~

financial management, to short-term, intermittent, noncareer state employees, to student employees of institutions of higher education, and to liquor control agency managers who are paid a percentage of monthly liquor sales.

Sec. 2. Section 2, chapter 208, Laws of 1957 as last amended by section 53, chapter 151, Laws of 1979 and RCW 41.04.036 are each amended to read as follows:

Any official of the state or of any of its political subdivisions authorized to disburse funds in payment of salaries or wages of public officers or employees is authorized, upon written request of the officer or employee, to deduct (~~each month~~) from the salary or wages of the officer or employee the amount of money designated by the officer or employee for payment to the United Fund.

The moneys so deducted shall be paid over promptly to the United Fund designated by the officer or employee. Subject to any regulations prescribed by the office of financial management, the official authorized to disburse the funds in payment of salaries or wages may prescribe any procedures necessary to carry out RCW 41.04.035 and 41.04.036.

*Sec. 3. Section 5, chapter 59, Laws of 1969 as last amended by section 1, chapter 120, Laws of 1980 and RCW 41.04.230 are each amended to read as follows:

Any official of the state authorized to disburse funds in payment of salaries and wages of public officers or employees is authorized, upon written request of the officer or employee, to deduct (~~each month~~) from the salaries or wages of the officers or employees, the amount or amounts of subscription payments, premiums, contributions, or continuation thereof, for payment of the following:

(1) Credit union deductions: PROVIDED, That the credit union is organized solely for public employees: AND PROVIDED FURTHER, That twenty-five or more employees of a single state agency or a total of one hundred or more state employees of several agencies have authorized such a deduction for payment to the same credit union.

(2) Parking fee deductions: PROVIDED, That payment is made for parking facilities furnished by the agency or by the department of general administration.

(3) U.S. savings bond deductions: PROVIDED, That a person within the particular agency shall be appointed to act as trustee. The trustee will receive all contributions; purchase and deliver all bond certificates; and keep such records and furnish such bond or security as will render full accountability for all bond contributions.

(4) Board, lodging or uniform deductions when such board, lodging and uniforms are furnished by the state, or deductions for academic tuitions or fees or scholarship contributions payable to the employing institution.

(5) Dues and other fees deductions: PROVIDED, That the deduction is for payment of membership dues to any professional organization formed

primarily for public employees or college and university professors: AND PROVIDED, FURTHER, That twenty-five or more employees of a single state agency, or a total of one hundred or more state employees of several agencies have authorized such a deduction for payment to the same professional organization.

~~(6) ((Labor or employee organization dues may be deducted in the event that a payroll deduction is not provided under a collective bargaining agreement under the provisions of RCW 41.06.150: PROVIDED, That twenty-five or more officers or employees of a single agency, or a total of one hundred or more officers or employees of several agencies have authorized such a deduction for payment to the same labor or employee organization: PROVIDED; FURTHER, That labor or employee organizations with five hundred or more members in state government may have payroll deduction for employee benefit programs:)) Contributions to labor or employee organizations may be deducted in the event that one hundred or more state officers or employees have authorized such a deduction for payment to the same labor or employee organization: PROVIDED, That payroll deductions provided under a collective bargaining agreement may be deducted without regard to the number of employees affected.~~

(7) Insurance contributions to the trustee of contracts for payment of premiums under contracts authorized by the state employees' insurance board.

Deductions from salaries and wages of public officers and employees other than those enumerated in this section or by other law, may be authorized by the director of financial management for purposes clearly related to state employment or goals and objectives of the agency and for plans authorized by the state employees' insurance board.

The authority to make deductions from the salaries and wages of public officers and employees as provided for in this section shall be in addition to such other authority as may be provided by law: PROVIDED, That the state or any department, division, or separate agency of the state shall not be liable to any insurance carrier or contractor for the failure to make or transmit any such deduction.

*Sec. 3 was partially vetoed, see message at end of chapter.

NEW SECTION. Sec. 4. There is added to chapter 41.04 RCW a new section to read as follows:

In order to facilitate the transition from one payroll per month to two payrolls per month, the following guidelines concerning payroll deductions and deferrals are established:

(1) All mandatory and voluntary deductions which are based upon a percentage of salary shall be deducted, after the effective date of this act, from the salaries payable for each pay period. This subsection shall apply regardless of when the deductions were authorized or required.

(2) The office of financial management shall adopt reasonable procedures providing for deductions, including deferrals, which are not based on a percentage of salary.

(3) Amounts which are deducted in accordance with subsections (1) and (2) of this section shall be paid to the designated recipient no later than the established paydates except when other agreements are reached with the designated recipient.

(4) Payment of deductions and deferrals to the designated recipient shall be made by warrant or check except when the designated recipient requests payment by electronic funds transfer. If recipients request electronic funds transfers, sufficient time shall be made available to establish the process. The elapsed time to establish the process shall not exceed three months from the time the recipient has requested in writing to the appropriate data processing payroll systems manager to receive payment by electronic funds transfer.

Documentation and itemization of deductions or deferrals paid shall be in printed form unless the designated recipient requests computer tapes. If recipients request computer tapes, sufficient time shall be made available to establish the process. Computer tapes shall be made available to the requesting designated recipient if at least one hundred employees paid from an automated payroll system have such deductions. The elapsed time to establish the process for providing computer tapes shall not exceed three months from the time the recipient has requested in writing to the appropriate data processing payroll systems manager to receive computer tapes. With the approval of the office of financial management, more advanced technology may be utilized to provide payment, documentation, and itemization of deductions to designated recipients.

NEW SECTION. Sec. 5. State officers and employees covered under RCW 42.16.010 shall be paid on January 10, 1984, for services rendered for the month of December 1983. On January 25, 1984, they shall be paid for services rendered from the first day of January 1984 through the fifteenth day of January 1984.

Sec. 6. Section 8, chapter 25, Laws of 1967 ex. sess. as amended by section 72, chapter 151, Laws of 1979 and RCW 42.16.017 are each amended to read as follows:

~~((To facilitate payroll preparation and accounting, or to implement the provisions of RCW 42.16.010 through 42.16.017;))~~ The director of financial management ((may)) shall adopt ((customary)) the necessary policies and ((necessary)) procedures to implement RCW 42.16.010 through 42.16.017, including the establishment of ((pay dates at reasonable times following periods in which payment is earned)) paydates. Such paydates shall conform to RCW 42.16.010. The director of financial management shall have approval over all agency and state payroll systems and shall determine the payroll systems to be used by state agencies to insure the implementation of

RCW 42.16.010 and section 4 of this 1983 act: PROVIDED, That for purposes of the central personnel payroll system, the provisions of RCW 41-.07.020 shall apply. The director shall provide a comprehensive report to the legislature on December 31, 1984, on the implementation of and compliance with RCW 42.16.010 and section 4 of this 1983 act, including the timeliness of payments to state employees.

NEW SECTION. Sec. 7. For the Office of Financial Management—

Semimonthly Payroll

General Fund Appropriation—State	\$	1,121,000
General Fund Appropriation—Federal	\$	559,000
General Fund Appropriation—Local	\$	13,000
Special Fund Semimonthly Payroll		
Revolving Fund Appropriation	\$	807,000
Total Appropriation	\$	2,500,000

The appropriations in this section are subject to the following conditions and limitations: To facilitate payment for the implementation of the semi-monthly payroll from special funds, the state treasurer is directed to transfer sufficient amounts from each special fund to the special fund semimonthly payroll revolving fund hereby created in accordance with schedules provided by the office of financial management.

NEW SECTION. Sec. 8. This act applies to pay periods beginning January 1, 1984.

- Passed the House May 6, 1983.
- Passed the Senate May 4, 1983.
- Approved by the Governor May 14, 1983, with the exception of section 3(6), which was vetoed.
- Filed in Office of Secretary of State May 14, 1983.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to section 3(6), Second Substitute House Bill No. 295, entitled:

"AN ACT Relating to state officers and employees."

Section 3, subsection (6) of this bill would repeal the existing, specific payroll deduction for labor or employee organization dues and replace it with a payroll deduction for "contributions to labor or employee organizations." As used in the bill, the undefined word "contributions," might be interpreted to include deductions for political activities. If the legislature chooses to change public policy to allow payroll deductions for political contributions, it should do so in an open and specific way so that everyone is aware of the change being made. For that reason, I have vetoed section 3, subsection (6).

With the exception of section 3(6), which I have vetoed, Second Substitute House Bill No. 295 is approved."