

State Government Committee

SB 5629

Brief Description: *Changing the office of financial management's budgeting, accounting, and reporting requirements for state agencies.*

Sponsors: *By Senators Patterson and Horn; by request of Office of Financial Management.*

Brief Summary of Bill

- *Removes requirements that certain information relating to equipment maintenance services and Assessing Districts be filed with the Office of Financial Management.*
- *Removes the cash deposit/bond requirement for equipment maintenance providers.*
- *Increases the amount of time in which payments for equipment maintenance may be made in advance.*

Hearing Date: *3/21/01*

Staff: *Jim Morishima (786-7191).*

Background:

I. Equipment Maintenance Service

In order for the Treasurer to disburse funds for equipment maintenance services, a written contract for such maintenance must be currently in effect and filed with the Office of Financial Management (OFM). If services are paid for in advance, the provider of the services must make a cash deposit or furnish a surety bond to indemnify the state in case the services are not fully performed. Payments for equipment maintenance may not be made more than three months in advance.

II. Assessing Districts

Assessing Districts are cities, towns, units of local government, and municipal corporations or public agencies with the power to levy statutory local improvement or other assessments, rates, or charges on state lands. Assessing districts may impose assessments against state lands for improvements authorized by statutes. The assessments become liens against the property and may be foreclosed for delinquent payments.

Assessing Districts must send a variety of information to the OFM including:

- Notice of the Assessing District's intention to make an improvement or impose an assessment;*
- A list of the state lands to be assessed;*
- Notice that an assessment has been made against a leasehold, contractual, or possessory interest for a local improvement;*
- Notification if a lien has been foreclosed; and*
- Notice of eminent domain assessments.*

The Director of Financial Management must adopt rules governing the disclosure of this information as well as rules authorizing additional reports, assuring the payment of assessments chargeable to the state, and protecting the state against illegal or inequitable assessments.

Summary of Bill:

I. Equipment Maintenance Service

Contracts for equipment maintenance services no longer must be filed with the OFM. Equipment maintenance providers are exempt from the cash deposit/bond requirement. Payments for equipment maintenance may not be made more than 12 months in advance.

II. Assessing Districts

Assessing Districts no longer must submit the following information to the OFM:

- Notice of the Assessing District's intention to make an improvement or impose an assessment;*
- A list of the state lands to be assessed;*
- Notice that an assessment has been made against a leasehold, contractual, or possessory interest for a local improvement;*
- Notification if a lien has been foreclosed; and*
- Notice of eminent domain assessments.*

The Director of Financial Management's rulemaking authority with respect to disclosing Assessing District information, authorizing additional reports, assuring the payment of assessments chargeable to the state, and protecting the state against illegal or inequitable assessments is removed.

Rulemaking Authority: *The bill removes rulemaking authority for the Director of Financial Management (see section II of the summary).*

Appropriation: None.

Fiscal Note: Not Requested.

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