

HOUSE BILL REPORT

SSB 5085

As Passed House - Amended:

April 19, 2007

Title: An act relating to increasing the proportionate share of earnings from surplus balance investments that are deposited in transportation-related accounts.

Brief Description: Providing that transportation accounts receive one hundred percent of their proportionate share of earnings.

Sponsors: By Senate Committee on Transportation (originally sponsored by Senators Haugen, Swecker and Murray).

Brief History:

Committee Activity:

Appropriations: 4/16/07 [DPA].

Floor Activity:

Passed House - Amended: 4/19/07, 98-0.

Brief Summary of Substitute Bill (As Amended by House)

- Allows transportation accounts to receive 100 percent of their proportionate share of earnings.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended. Signed by 31 members: Representatives Sommers, Chair; Dunshee, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Haler, Assistant Ranking Minority Member; Buri, Chandler, Cody, Conway, Darneille, Dunn, Ericks, Fromhold, Grant, Haigh, Hunt, Hunter, Kagi, Kenney, Kessler, Kretz, Linville, McDermott, McDonald, Morrell, Pettigrew, Priest, Schual-Berke, Seaquist, P. Sullivan and Walsh.

Minority Report: Do not pass. Signed by 2 members: Representatives Anderson and McIntire.

Staff: Owen Rowe (786-7391).

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.

Background:

Accounts established in the State Treasury earn interest income based on the average daily balance of the account. Some accounts retain 100 percent of the interest income they generate and are subject to the State Treasurer's service fee. The State Treasurer's service fee is established by the State Treasurer and allocated uniformly across all subject accounts. Revenue generated by the State Treasurer's service fee funds the operation and administration of the State Treasurer's office. Historically, revenue generated by the State Treasurer's service fee in excess of the amounts necessary to fund the State Treasury's operating costs have been transferred to the General Fund-State. Certain other accounts retain 80 percent of the interest income they generate with the remaining 20 percent being credited to the General Fund-State.

Summary of Amended Bill:

Transportation accounts that currently retain only 80 percent of the interest income they generate will instead retain 100 percent of the interest income they generate and will be subject to the State Treasurer's service fee.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect on July 1, 2009.

Staff Summary of Public Testimony:

(In support) Our state is in need of an additional investment in financing transportation projects and this small step will go a long way towards regaining and keeping the trust of the citizens who pay these taxes.

(Opposed) None.

Persons Testifying: Amber Carter, Association of Washington Business.

Persons Signed In To Testify But Not Testifying: None.