

HOUSE BILL REPORT

2SSB 5003

As Passed House - Amended:

April 5, 1995

Title: An act relating to the deposit of interest earnings from agricultural funds and accounts.

Brief Description: Providing criteria to be used in determining whether a fund or account receives interest earnings.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Rasmussen, Newhouse, Loveland, Sellar, Snyder, Hochstatter, Prince, Bauer, Morton, Haugen, Winsley and A. Anderson).

Brief History:

Committee Activity:

Agriculture & Ecology: 3/23/95, 3/30/95 [DPA].

Floor Activity:

Amended.

Passed House: 4/5/95, 96-0.

HOUSE COMMITTEE ON AGRICULTURE & ECOLOGY

Majority Report: Do pass as amended. Signed by 17 members: Representatives Chandler, Chairman; Koster, Vice Chairman; McMorris, Vice Chairman; Mastin, Ranking Minority Member; Chappell, Assistant Ranking Minority Member; Boldt; Clements; Delvin; R. Fisher; Honeyford; Johnson; Kremen; Poulsen; Regala; Robertson; Rust and Schoesler.

Staff: Kenneth Hirst (786-7105).

Background: In general, earnings from investments of the accounts within the General Fund or of the funds and accounts within the custody of the State Treasurer (and, therefore, managed within the Treasurer's Trust Fund) were credited to those funds and accounts prior to 1991. As a general rule, they received 80 percent of these earnings; the remaining 20 percent was dedicated directly or indirectly to covering the costs of managing the accounts.

Legislation enacted in 1991 lists accounts within the General Fund or the Treasurer's Trust Fund that are to receive the earnings from investments, less payments made for

purchased banking services and administrative costs. If accounts are not among those listed, the earnings are credited to the General Fund.

Summary of Bill: The following are added to funds and accounts within the General Fund and the Treasurer's Trust Fund that are to receive the earnings from investments of the funds and accounts, less payments made for purchased banking services and administrative costs: the weights and measures account, agricultural local fund, fair fund, and grain inspection revolving fund.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Bill: The bill contains an emergency clause and takes effect on July 1, 1995.

Testimony For: (1) The Fair Fund is used only to support fairs; it has experienced a 60 percent decrease in revenues because of the reduction in revenues from parimutuel horse racing. The added loss of earnings has seriously hurt fairs and the youth groups participating in the fairs. (2) Since the sunset provision was vetoed from the law taking earnings from the grain fund, the fund has lost \$0.5 million in earnings. Hefty balances in the fund must be maintained in many years to cover the deficit spending required in other years.

Testimony Against: None.

Testified: Senator Rasmussen (prime sponsor); Marlyta Deck, Washington State Fairs Association (pro); and Ray Shindler, Washington Wheat Growers (pro).