

2724-S

Sponsor(s): House Committee on Appropriations (originally sponsored by Representatives Boldt, Mielke, Pennington, Carrell, Mulliken, Thompson, Bush, Cairnes, Reams and Lambert)

Brief Title: Requiring legislative oversight of moneys received from enforcement actions.

HB 2724-S - DIGEST

(DIGEST AS PASSED LEGISLATURE)

Provides that a state agency shall not expend moneys except pursuant to an appropriation by law if the moneys are received in an administrative or judicial regulatory or civil enforcement action, or settlement thereof, brought by the state.

Requires that, in any regulatory or civil enforcement action brought by the attorney general under the authority of the attorney general or another state agency where moneys are to be paid to the state or to a state-administered account, the attorney general shall seek a court order or settlement that includes a requirement that the moneys received by the state shall not be expended except pursuant to an appropriation by law.

Does not apply to: (1) Moneys received by the state for payment by the state to injured parties or a class of parties as damages, restitution, or refunds. However, if such payments to a class of parties in lieu of damages, restitution, or refunds, such as payments under the doctrine of cy pres, include a payment to a state agency, the expenditure of the payment by the state agency shall be subject to this section;

(2) fees or enforcement actions to collect fees, including investigation or examination fees, that are established by administrative rule or statute;

(3) expenditures from accounts outside the state treasury, including court registries, exclusively for purposes of remedial action or natural resource damages under chapters 70.105D, 90.48, and 90.56 RCW, 33 U.S.C. Sec. 2701 et seq., or 42 U.S.C. Sec. 9601 et seq., or for purposes of financial assurance under chapter 70.95 or 70.105 RCW;

(4) moneys recovered by the department of social and health services for client services, benefits, or vendor overpayments or moneys collected by the division of child support; and

(5) expenditures from nonappropriated funds and accounts that are specifically established by statute if the statute does not incorporate a reference to this section.

Takes effect July 1, 1999.

VETO MESSAGE ON HB 2724-S

April 2, 1998

To the Honorable Speaker and Members,

The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute House

Bill No. 2724 entitled:

"AN ACT Relating to legislative oversight of moneys received from fines, penalties, forfeitures, settlements, court orders, or other enforcement actions;"

Substitute House Bill No. 2724 would provide that state agencies shall not expend moneys except pursuant to an appropriation by law, if the moneys are received in an administrative or judicial enforcement action, or settlement thereof, brought by the state.

This legislation is in response to my veto last year of Engrossed Senate Bill No. 6039. ESB 6039 provided that any fine or regulatory assessment imposed in an enforcement action under the insurance code must be collected by the Department of Revenue. In my veto message, I asked that a comprehensive assessment be done throughout state government and that a uniform system be proposed to address any identified problems.

No widespread or systemic problems were identified, and Substitute House Bill No. 2724 does not represent the uniform system that would be needed to address such problems had they been found. Instead, the bill would provide a general rule requiring an appropriation of these types of funds, and would make several exceptions for some agencies but not for others.

For these reasons, I have vetoed Substitute House Bill No. 2724 in its entirety.

Respectfully submitted,
Gary Locke
Governor