

Agriculture & Ecology Committee

SB 5315

Brief Description: *Including drinking water accounts in interest-bearing accounts.*

Sponsors: *By Senators Fraser and Morton; by request of Department of Health.*

Brief Summary of Bill

- *Creates two new accounts related to drinking water assistance and authorizes these accounts to receive interest earnings.*

Hearing Date: *3/23/01*

Staff: *Caroleen Dineen (786-7156).*

Background:

The drinking water assistance account was created in the state treasury in 1995. The stated purpose of this account is to allow the state to use federal funding, made available to states as part of the reauthorization of the federal Safe Drinking Water Act, to fund a state revolving loan fund program. The loan program is administered through the Department of Health, the Public Works Board, and the Department of Community, Trade and Economic Development. The statute specifies any necessary subaccounts may be created within this account.

The account funds are to be used to assist local governments and water systems to provide safe and reliable drinking water, to provide services and assistance authorized by federal law, and to administer the revolving loan program. The account is specifically authorized to receive interest, and the interest transferred to the account may be used for eligible account purposes.

According to the Department of Health, a subaccount was established in 1999 as a separate account for processing fees charged for revolving fund loans from the drinking water assistance account. The Department of Health reports that interest is being transferred to this subaccount through an interim agreement with the Office of Financial Management.

Accounts in the state treasury must be specifically authorized by statute to receive their interest earnings.

Summary of Bill:

The drinking water assistance administrative account and the drinking water assistance repayment account are created in the state treasury. These two accounts are specifically authorized in statute to receive proportionate shares of interest based on their average daily balance.

Appropriation: *None.*

Fiscal Note: *Available.*

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