

FINAL BILL REPORT

2SSB 5003

C 365 L 95

Synopsis as Enacted

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).

Senate Committee on Agriculture & Agricultural Trade & Development
Senate Committee on Ways & Means
House Committee on Agriculture & Ecology

Background: The State Treasurer's office manages over 300 funds. Prior to 1991, there was not a consistent policy as to where the interest from various funds was deposited. At that time, interest for many of the funds was deposited in accordance with the statute that created that fund.

In 1991, significant changes were made to the funds interest earnings statutes. The rationale for the 1991 legislation was that the disposition of interest income earned by these various funds varied considerably, and that distributions of the earnings should be based upon some general criteria. Under the 1991 legislation, three categories of funds were created: (a) those funds whose earnings are credited to the general fund; (b) those funds for which 100 percent of the earnings are credited back to the fund; and (c) those funds for which 80 percent of the earnings are credited back to the fund. In this 1991 legislation, the interest earned on various funds was to be deposited in the state general fund.

In 1993, various fee funded agricultural programs were required to pay their prorated share of general administrative costs in the Department of Agriculture.

Summary: The agricultural local fund, the grain inspection revolving fund, and the fair fund are included within the list of funds that receive their prorated share of interest earnings. The rural rehabilitation account, which currently receives its interest earnings due to existing legal provisions, is statutorily recognized to receive its interest earnings.

Votes on Final Passage:

| | | | |
|--------|----|---|----------------------------|
| Senate | 47 | 0 | |
| House | 96 | 0 | (House amended) |
| Senate | | | (Senate refused to concur) |
| House | 95 | 1 | (House receded) |
| House | 96 | 0 | (House reconsidered) |

Effective: June 1, 1995

