

HOUSE BILL REPORT

SSB 6316

As Reported by House Committee On:
Appropriations

Title: An act relating to investment earnings of the gambling revolving fund.

Brief Description: Providing that the gambling revolving fund retain its investment earnings.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Prentice, Delvin and Kohl-Welles; by request of Gambling Commission).

Brief History:

Committee Activity:

Appropriations: 2/28/08, 3/1/08 [DP].

Brief Summary of Substitute Bill

- Allows the Washington State Gambling Commission to retain 100 percent of the investment income from the Gambling Revolving Fund, less the State Treasurer's service fee.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 31 members: Representatives Sommers, Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Haler, Assistant Ranking Minority Member; Chandler, Cody, Conway, Darneille, Ericks, Fromhold, Grant, Green, Haigh, Hinkle, Hunt, Kagi, Kenney, Kessler, Kretz, Linville, McDonald, McIntire, Morrell, Pettigrew, Priest, Ross, Schmick, Schual-Berke, Seaquist, Sullivan and Walsh.

Minority Report: Do not pass. Signed by 3 members: Representatives Dunshee, Vice Chair; Anderson and Hunter.

Staff: Wendy Polzin (786-7137).

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

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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. Certain other accounts retain 80 percent of the interest income they generate with the remaining 20 percent being credited to the state General Fund.

Summary of Bill:

The Washington State Gambling Commission may retain 100 percent of the investment income from the Gambling Revolving Fund, less the State Treasurer's service fee.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect July 1, 2008.

Staff Summary of Public Testimony:

(In support) The Gambling Commission is a self funded, non appropriated, law enforcement agency that enforces the state's gambling laws. Current expenditures for non-discretionary costs are rising by approximately 12 percent this biennium. Decreasing licensing revenues are having an effect on the commission. The commission cannot continue to absorb the costs as it had previously. Revolving fund earnings would assist the agency in maintaining its operations. The annual budget of the Gambling Commission is approximately \$16 million. The interest income will not be enough to solve the budget issues that it exists, but it is one part of the effort to fix them.

(Opposed) None.

Persons Testifying: Terry Westhoff, Washington State Gambling Commission.

Persons Signed In To Testify But Not Testifying: None.