

SENATE BILL REPORT

SB 5722

AS PASSED SENATE, MARCH 13, 1991

Brief Description: Providing a department-wide interest policy for the department of natural resources.

SPONSORS: Senators Oke and Owen; by request of Department of Natural Resources.

SENATE COMMITTEE ON ENVIRONMENT & NATURAL RESOURCES

Majority Report: Do pass.

Signed by Senators Metcalf, Chairman; Oke, Vice Chairman; Amondson, Barr, Conner, Owen, Patterson, and Snyder.

Staff: Vic Moon (786-7469)

Hearing Dates: February 26, 1991

BACKGROUND:

The Department of Natural Resources operates under ten different statutes describing how interest charges will be assessed on items including late payments and interfund loans. Four statutes are very specific as to the amount of interest to be assessed, the source of the data to be used for assessing interest, and the program activity for which it applies. The remaining six statutes allow the Board of Natural Resources and/or the department to establish interest charges and procedures in the Washington Administrative Code.

The current mix of statutes affecting interest policy and procedures does not allow the department to have a consistent and uniform policy throughout the agency. For example, programs within the department have different interest rates for late payment charges. In addition, certain activities which use funds interchangeably and must account for this could presently charge different interest rates when accounting for these funds.

The department has recently drafted a preferred interest policy directing consistent and uniform interest charges for all similar activities throughout the agency. In order for this policy to be fully implemented, four statutes need to be amended to allow for one set of interest policies to be adopted and placed into the Washington Administrative Code. Current department contracts and agreements which specify interest charges will remain in effect until they expire or are renewed.

SUMMARY:

Four statutes need to be amended to allow the Board of Natural Resources to adopt interest rate policies that are consistent throughout the Department of Natural Resources.

RCW 79.90.520 and 79.90.55 are reworded to state that late payment interest charges and related interest guidelines for the activities covered by these statutes are established by the Board of Natural Resources.

RCW 76.04.620 and 76.04.630 are reworded to state that the interest rate for interfund loans will be the same as RCW 79.64.030.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

A uniform interest policy and rates set by the Board of Natural Resources is more efficient and would provide a less confusing system to the public. There would be no loss of income to the state of the trusts and no existing contact would be impaired.

TESTIMONY AGAINST: None

TESTIFIED: Laura Eckert, Dept. of Natural Resources (for)