

HOUSE BILL REPORT

SB 5722

As Passed Legislature

Title: An act relating to interest rates for the department of natural resources.

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

Sponsor(s): Senators Oke and Owen; by request of Department of Natural Resources.

Brief History:

Reported by House Committee on:

Natural Resources & Parks, April 4, 1991, DP;

Passed House, April 19, 1991, 97-0;

Passed Legislature, 97-0.

**HOUSE COMMITTEE ON
NATURAL RESOURCES & PARKS**

Majority Report: *Do pass.* Signed by 11 members: Representatives Belcher, Chair; Scott, Vice Chair; Beck, Ranking Minority Member; Brumsickle, Assistant Ranking Minority Member; Dellwo; Fraser; Hargrove; Morton; Riley; Sheldon; and Wynne.

Staff: Marilee Scarbrough (786-7196).

Background: Ten statutes currently exist which describe how interest charges will be assessed by the Department of Natural Resources. Six of those statutes allow the Board of Natural Resources to establish interest charges and procedures by rule. The remaining 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 various interest policies create inconsistency in the agency regarding procedure. For example, programs within the department have different interest rates for late payment charges on aquatic leases.

Four of the existing 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 of Bill: The interest rate charge for past due rents on aquatic lease rates shall be fixed by the department and shall not be less than 6 percent per annum.

Loans to and from the Landowner Contingency Forest Fire Suppression Account shall bear interest at the interfund loan rate, which is a rate determined by the Board of Natural Resources.

Fiscal Note: Requested March 29, 1991.

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

Testimony For: The department manages 10 funds which accumulate interest. Six of those accounts go through a process fixed by rule. Currently, that interest rate is not less than 6 percent. No existing contracts will be effected by this legislation. Creating consistency in the accounts will not result in a fiscal impact.

Testimony Against: None.

Witnesses: Don Hasen, Department of Natural Resources (Pro).