

SENATE BILL REPORT

EHB 2302

As Reported By Senate Committee On:
Government Operations, February 26, 1998

Title: An act relating to moneys held by a county in trust for school districts.

Brief Description: Authorizing counties that hold money in trust for school purposes to distribute the money to school districts.

Sponsors: Representatives Honeyford, Lisk, Wolfe, Scott, Gardner and Hankins.

Brief History:

Committee Activity: Government Operations: 2/20/98, 2/26/98 [DP].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: Do pass.

Signed by Senators McCaslin, Chair; Hale, Vice Chair; Anderson, Haugen, Horn, Patterson and T. Sheldon.

Staff: Diane Smith (786-7410)

Background: Joshua Brown's Last Will and Testament, executed in 1870, devised all of his property or its cash proceeds to the public school fund of Klickitat County. Mr. Brown's will specified that interest on the property so devised was to be used to make interest-bearing loans.

In 1875, a territorial law established the Joshua Brown School Fund (the Fund-) for the benefit of the Klickitat County schools. The Fund was to be administered by three commissioners, the county treasurer, county auditor and county school superintendent. The county treasurer was authorized to make interest-bearing loans from the Fund for the acquisition of land and other school expenses.

According to the Klickitat County Board of County Commissioners, the balance of the Fund as of August 11, 1997, was \$4,355.95.

Summary of Bill: Any county permitted by territorial law to administer a trust created for the benefit of school districts and funded by a testamentary bequest for such purpose is authorized to dissolve the trust as long as the corpus of the trust does not exceed \$50,000. The county may distribute the balance of any funds held in the dissolved trust to the county's school districts. Before dissolving the trust and distributing the funds, the county must adopt a resolution finding that conditions have changed and that it is no longer feasible for the county to administer the trust.

The territorial law establishing the Joshua Brown School Fund is repealed.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Conditions have changed in Klickitat County since Mr. Brown passed away, such as the following: parts of Yakima County came out of Klickitat County; Klickitat County no longer has a county superintendent of schools; general economic conditions today make it cost more to administer a trust of \$50,000 or less than it's worth. This money was discovered by a local historian, it having previously lapsed into the current expense fund.

Testimony Against: None.

Testified: Representative Honeyford, prime sponsor (pro).