

SENATE BILL REPORT

SB 5697

As Reported By Senate Committee On:
Commerce, Trade, Housing & Financial Institutions, March 2, 1999

Title: An act relating to distributing the earnings credited to the treasury income account.

Brief Description: Distributing the earnings credited to the treasury income account.

Sponsors: Senators Prentice, Winsley, T. Sheldon, Benton, Rasmussen and Deccio.

Brief History:

Committee Activity: Commerce, Trade, Housing & Financial Institutions: 3/2/99 [DPS].

SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

Majority Report: That Substitute Senate Bill No. 5697 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Shin, Vice Chair; Benton, Gardner, Hale, Heavey, Rasmussen, T. Sheldon and Winsley.

Staff: Susan Jones (786-7784)

Background: The treasury income account holds certain dedicated accounts and funds. Monthly, the State Treasurer is required to distribute the earnings credited to the treasury income account to the general fund. There are exceptions to this distribution requirement and those accounts or funds receive their proportionate share of earnings credited to the treasury income account.

Concerns exist about increases in professional license fees where earnings from the dedicated accounts, which now go to the general fund, could cover some or all of the shortfalls in these licensing programs.

Summary of Substitute Bill: The architects' license account, funeral directors and embalmers account, the real estate commission account, the real estate education account, professional engineers' account, and the cemetery fund are added to the exceptions from the distribution requirement and these accounts will receive their proportionate share of earnings credited to the treasury income account.

These earnings currently go to the general fund and diversion of these earnings may require Initiative 601 spending limit adjustment.

Substitute Bill Compared to Original Bill: The substitute bill makes a technical change regarding the real estate education account which is held by the treasurer in a different manner than the other accounts. The professional engineers' account and the cemetery fund

are added to the exceptions to the requirement of distribution of earnings to the general fund. The substitute bill changes the effective date to July 1, 2001.

Appropriation: None.

Fiscal Note: Requested February 25,1999.

Effective Date: July 1, 2001.

Testimony For: The Department of Licensing is charged with keeping licensing programs self-sufficient. With the decline in real estate licensees and a decline in the surplus in this dedicated account, a substantial increase will be necessary for real estate license fees. This change will temper future license fee increases.

Testimony Against: None.

Testified: PRO: Glen Hudson, Washington Association of Realtors; Cliff Webster, Architects & Engineers Legislative Council; Bob Mitchell, Department of Licensing; T.K. Bentler and Dave Shags, Washington State Funeral Directors Association.