

SENATE BILL REPORT

SB 6316

As Reported By Senate Committee On:
Ways & Means, January 31, 2008

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: Senators Prentice, Delvin and Kohl-Welles; by request of Gambling Commission.

Brief History:

Committee Activity: Ways & Means:1/28/08, 1/31/08 [DPS].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6316 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Hatfield, Hobbs, Honeyford, Keiser, Kohl-Welles, Parlette, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Tom.

Staff: Dianne Criswell (786-7433)

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 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 (Recommended Substitute): 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. Effective date is July 1, 2008.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Substitute): Effective date is changed to July 1, 2008.

Appropriation: None.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: The Washington State Gambling Commission is a self-funded, law enforcement entity. We have growing non-discretionary costs. At the same time, certain gambling activities, which generate our revenues through licensing fees, are decreasing. Retaining the interest income will not have a huge fiscal impact, but will mean that we can retain employees and services by investing that money in our enforcement agency. Also, in the future, it will help offset fee increases. Under current law, 38 funds may retain their interest income, and we would like to be the 39th.

Persons Testifying: PRO: Terry Westhoff, Amy Hunter, Washington State Gambling Commission.