

# HOUSE BILL REPORT

## HB 1198

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### As Passed Legislature

**Title:** An act relating to naming drinking water assistance subaccounts to place them in interest-bearing accounts.

**Brief Description:** Including drinking water accounts in interest-bearing accounts.

**Sponsors:** By Representatives G. Chandler and Cooper; by request of Department of Health.

### Brief History:

#### Committee Activity:

Agriculture & Ecology: 2/1/01, 2/15/01 [DP];

Appropriations: 3/1/01, 3/8/01 [DP].

#### Floor Activity:

Passed House: 3/13/01, 94-0.

Passed Senate: 4/9/01, 47-0.

Passed Legislature.

### Brief Summary of Bill

- Creates two new accounts related to drinking water assistance and authorizes these accounts to receive interest earnings.

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### HOUSE COMMITTEE ON AGRICULTURE & ECOLOGY

**Majority Report:** Do pass. Signed by 14 members: Representatives G. Chandler, Republican Co-Chair; Linville, Democratic Co-Chair; Cooper, Democratic Vice Chair; Mielke, Republican Vice Chair; B. Chandler, Delvin, Dunshee, Grant, Hunt, Kirby, Quall, Roach, Schoesler and Sump.

**Staff:** Caroleen Dineen (786-7156).

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### HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass. Signed by 32 members: Representatives Sehlin, Republican Co-Chair; H. Sommers, Democratic Co-Chair; Barlean, Republican Vice Chair; Doumit,

Democratic Vice Chair; Lisk, Republican Vice Chair; Alexander, Benson, Boldt, Buck, Clements, Cody, Cox, Dunshee, Fromhold, Gombosky, Grant, Kagi, Keiser, Kenney, Kessler, Lambert, Linville, Mastin, McIntire, Mulliken, Pearson, Pflug, Ruderman, D. Schmidt, Schual-Berke, Talcott and Tokuda.

**Staff:** Amy Hanson (786-7118).

**Background:**

The Drinking Water Assistance Account (DWAC) was created in the state treasury in 1995. The stated purpose of this account is to allow the state to use federal funding, made available to states as part of the reauthorization of the federal Safe Drinking Water Act, to fund a state revolving loan fund program. The loan program is administered through the Department of Health, the Public Works Board, and the Department of Community, Trade and Economic Development. The statute specifies any necessary subaccounts may be created within this account.

The account funds are to be used to assist local governments and water systems to provide safe and reliable drinking water, to provide services and assistance authorized by federal law, and to administer the revolving loan program. The account is specifically authorized to receive interest, and the interest transferred to the account may be used for eligible account purposes.

According to the Department of Health, a subaccount was established in 1999 as a separate account for processing fees charged for revolving fund loans from the DWAC. The department reports that interest is being transferred to this subaccount through an interim agreement with the Office of Financial Management.

**Summary:**

The Drinking Water Assistance Administrative Account and the Drinking Water Assistance Repayment Account are created in the state treasury. These two accounts are specifically authorized to receive proportionate shares of interest based on their average daily balance.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** (Agriculture & Ecology) This bill is needed to fix these accounts to meet federal requirements so that the interest earned can be used for loans.

**Testimony For:** (Appropriations) This bill is needed to make some technical adjustments to the law so that the Department of Health can be in compliance with federal regulations.

**Testimony Against:** (Agriculture & Ecology) None.

**Testimony Against:** (Appropriations) None.

**Testified:** (Agriculture & Ecology) Gregg Grunenfeld, the Department of Health.

**Testified:** (Appropriations) Brian Peyton, the Department of Health.