

# SENATE BILL REPORT

## SB 6218

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As Reported by Senate Committee On:  
Ways & Means, January 20, 2010

**Title:** An act relating to modifying the local option capital asset lending program to authorize state use of certain voter approved excess tax levies to pay financing contracts and to clarify program participants.

**Brief Description:** Authorizing use of voter approved local excess tax levies to pay financing contracts under the local option capital asset lending program and clarifying which "other agencies" may participate in the program.

**Sponsors:** Senators Fraser and Brandland; by request of State Treasurer.

**Brief History:**

**Committee Activity:** Ways & Means: 1/19/10, 1/20/10 [DP].

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Hobbs, Honeyford, Murray, Parlette, Pflug, Pridemore, Rockefeller and Schoesler.

**Staff:** Brian Sims (786-7431)

**Background:** In 1989 the Legislature created a program to finance facilities and major equipment for state agencies. The program combines state agency borrowing into larger offerings of securities which reduces the cost of financing. In 1998 the Legislature expanded the program to allow local governments to use the program. Local government agencies can finance equipment or real estate needs through the State Treasurer's Office subject to existing debt limitations and financial considerations. When a local government receives voter approval to issue bonds payable from excess property tax levies they are not eligible to use the financing program of the State Treasurer's Office.

**Summary of Bill:** Local governments are allowed to use the State Treasurer's Office pooled financing program for voter approved bonds payable from excess property tax levies.

**Appropriation:** None.

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

**Staff Summary of Public Testimony:** PRO: This bill would allow local government to access the low cost borrowing for our local government financing program for bonds payable from local property tax levies. It's voluntary and provides another option for local government financing.

**Persons Testifying:** PRO: Jim McIntire, State Treasurer; Wolfgang Opitz, Deputy Treasurer.