

HOUSE BILL REPORT

HB 1430

*As Reported By House Committee on:
Capital Facilities & Financing*

Title: An act relating to state general obligation and revenue bonds and related accounts.

Brief Description: Issuing general obligation and revenue bonds.

Sponsor(s): Representative H. Sommers; by request of Governor Gardner.

Brief History:

Reported by House Committee on:
Capital Facilities & Financing, April 16, 1991, DPS.

**HOUSE COMMITTEE ON
CAPITAL FACILITIES & FINANCING**

Majority Report: *That Substitute House Bill No. 1430 be substituted therefor, and the substitute bill do pass.* Signed by 12 members: Representatives H. Sommers, Chair; Rasmussen, Vice Chair; Schmidt, Ranking Minority Member; Neher, Assistant Ranking Minority Member; Casada; Fraser; Heavey; Jacobsen; Ogden; Peery; Silver; and Wang.

Minority Report: *Do not pass.* Signed by 2 members: Representatives Braddock and Brough.

Staff: Bill Robinson (786-7140).

Background: The state of Washington periodically issues general obligation bonds to finance capital construction projects throughout the state. The specific legislative approval of a capital project is contained in the capital appropriations act. Those appropriations requiring state bonding depend on legislation authorizing the sale of bonds. Bond authorization legislation requires a 60 percent majority vote in both the House of Representatives and the Senate.

Summary of Substitute Bill: The state finance committee is authorized to issue \$1,086,000,000 in state general obligation bonds to finance new construction and other state projects contained in the 1991-93 capital budget. The bonds are supported by the full faith credit of the state. Of the

total bond authority, \$20.8 million is transferred into the energy efficiency construction account to make loans to school districts for energy efficiency projects. The loans are to be repaid by the energy savings resulting from the projects.

General Administration, in cooperation with the Office of Financial Management, must develop a plan for rental changes to occupants of state buildings. The plan must be submitted to the House Capital Facilities and Financing Committee and the Senate Ways and Means Committee by December 1, 1991. General Administration must establish a parking fee for state owned and leased property consistent with legislative intent to reduce state subsidization of parking.

Substitute Bill Compared to Original Bill: The amount of bond authorization is reduced from \$1,935,953,000 to \$1,086,000,000. The transfer of bond proceeds into the habitat conservation account, the outdoor recreation account, and the essential rail assistance account is deleted. The amount transferred to the energy efficiency account is reduced from \$39,929,000 to \$20,800,000. The \$154,500,000 revenue bond authority for the State Energy Office to make loans to schools and agencies for energy cogeneration projects is deleted.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: None.

Testimony Against: None.

Witnesses: None.