

HOUSE BILL REPORT

ESB 5719

As Reported By House Committee On:
Capital Budget

Title: An act relating to general obligation bonds.

Brief Description: Authorizing general obligation bonds for costs incidental to the 1993-95 biennium.

Sponsors: Senators Rinehart, Bluechel and Snyder; by request of Office of Financial Management.

Brief History:

Reported by House Committee on:
Capital Budget, April 14, 1993, DPA.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass as amended. Signed by 11 members: Representatives Wang, Chair; Ogden, Vice Chair; Eide; R. Fisher; Heavey; Jacobsen; Jones; Ludwig; Romero; Silver; and Sommers.

Minority Report: Do not pass. Signed by 4 members: Representatives Sehlin, Ranking Minority Member; Morton, Assistant Ranking Minority Member; Brough; and Thomas.

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 Amended Bill: The State Finance Committee is authorized to issue \$928,850,000 in state general obligation bonds to finance new construction and other state projects contained in the 1993-95 capital budget. Of this total, \$890,230,000 is deposited into the state building construction account, \$1.5 million into the Fruit Commission facility account, and \$1 million into the energy efficiency services account. The Fruit Commission facility account is

created and all principal and interest on bonds issued for the account will be paid from the Fruit Commission's operating fund. The bonds for the Fruit Commission can be sold only after the Office of Financial Management has certified that the commission has adequate revenues to pay the debt service on the bonds and has approved the plans for the facility.

The State Finance Committee is authorized to issue an additional \$13,835,000 of bonds for the State Convention and Trade Center to finance the purchase of the McKay parcel and development rights for the McKay parcel. Principal and interest on these bonds will be paid from the convention center (hotel/motel) tax.

Amended Bill Compared to Engrossed Bill: The amount of bond authorization is increased from \$864 million to \$928.8 million. The provisions for the Fruit Commission bonds and the State Convention and Trade Center bonds are added.

Fiscal Note: Not requested.

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

Testimony For: None.

Testimony Against: None.

Witnesses: None.