

FINAL BILL REPORT

HB 2593

C 173 L 94
Synopsis as Enacted

Brief Description: Funding highway improvements.

By Representatives R. Fisher and Springer; by request of
Department of Transportation.

House Committee on Transportation
Senate Committee on Transportation

Background: In 1985, \$10 million of bonds were authorized for state highway improvements necessitated by planned economic development, with the debt service to be paid from the motor vehicle fund. Application for improvements to state highways are submitted to the Community Economic Revitalization Board (CERB) and subject to final approval by the Transportation Commission.

Expenditures for approved projects are so small that issuing a bond for each project becomes unfeasible. In addition, federal tax laws have imposed restrictions on tax exempt bond financing to prevent arbitrage.

Summary: The \$10 million CERB bond authorization is amended to allow the shift of the remaining bond sales authority from the economic development account to the motor vehicle fund. In turn, the motor vehicle fund will, upon appropriation authority, deposit a like amount of cash into the economic development account. CERB projects will be funded from the cash balance, and the CERB bonds will become part of the Department of Transportation highway bond authorization.

Votes on Final Passage:

House	96	0	
Senate	49	0	(Senate amended)
Senate	44	0	(Senate receded)

Effective: March 30, 1994