

SENATE BILL REPORT

HB 2593

AS REPORTED BY COMMITTEE ON TRANSPORTATION, FEBRUARY 21, 1994

Brief Description: Funding highway improvements.

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

HOUSE COMMITTEE ON TRANSPORTATION

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass.

Signed by Senators Vognild, Chairman; Skratek, Vice Chairman; Haugen, Morton, Nelson, Oke, Prentice, Prince, M. Rasmussen, Schow, Sellar, Sheldon and Winsley.

Staff: Eugene Schlatter (786-7316)

Hearing Dates: February 21, 1994

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 are 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.

Appropriation: none

Revenue: none

Fiscal Note: available

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

TESTIMONY FOR: None

TESTIMONY AGAINST: None

TESTIFIED: No one