

SENATE BILL REPORT

SB 5969

AS REPORTED BY COMMITTEE ON TRANSPORTATION, APRIL 5, 1993

Brief Description: Issuing bonds for the transportation improvement board.

SPONSORS: Senators Vognild and Nelson; by request of Transportation Improvement Board

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5969 be substituted therefor, and the substitute bill do pass.

Signed by Senators Vognild, Chairman; Skratek, Vice Chairman; Barr, Drew, Haugen, Nelson, Prentice, Prince, M. Rasmussen, Sheldon, and Winsley.

Minority Report: Do not substitute.

Signed by Senators Loveland, Vice Chairman; and Oke.

Staff: Gene Schlatter (786-7316)

Hearing Dates: April 5, 1993

BACKGROUND:

In 1992, the Legislative Transportation Committee (LTC) Subcommittee on Transportation Boards and Commissions recommended a policy change to take advantage of favorable interest rates to finance projects through bonding during times of low economic growth.

The Transportation Improvement Board (TIB) reviewed the LTC proposal and adopted a resolution requesting the requisite bonding authority.

Without a revenue increase in 1993, TIB will begin delaying construction approval for Transportation Improvement Account (TIA) funded projects in the spring of 1994.

Additionally, this bonding authority will allow for the TIB to accelerate projects and start additional projects as part of an economic stimulus package.

SUMMARY:

The issue and sale of \$50 million in general obligation bonds is authorized to meet urgent construction needs of state, county, and city transportation projects within urban areas.

EFFECT OF PROPOSED SUBSTITUTE:

The Transportation Commission, on behalf of the Transportation Improvement Board (TIB), shall make requests to the State Finance Committee for the issuance, sale and retirement of bonds.

Appropriation: none

Revenue: none

Fiscal Note: requested

TESTIMONY FOR:

Without a revenue increase in 1993, the TIB will begin delaying construction approval for transportation improvement account (TIA) funded projects in the spring of 1994. The Transportation Commission has traditionally served an oversight role in the timing and amount of the sale of bonds for transportation projects.

TESTIMONY AGAINST: None

TESTIFIED: PRO: Jerry Fay, Executive Director, Transportation Improvement Board; PRO WITH AMENDMENT: Chris Rose, Transportation Commission