

SENATE BILL REPORT

SB 6436

As Reported By Senate Committee On:
Transportation, February 3, 1998

Title: An act relating to authorizing regional transit authorities to issue short-term obligations.

Brief Description: Authorizing regional transit authorities to issue short-term obligations.

Sponsors: Senators Horn, McCaslin, Patterson and Haugen.

Brief History:

Committee Activity: Transportation: 1/29/98, 2/3/98 [DP].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass.

Signed by Senators Prince, Chair; Benton, Vice Chair; Wood, Vice Chair; Goings, Haugen, Horn, Jacobsen, Oke, Patterson, Rasmussen and Sellar.

Staff: Gene Baxstrom (786-7303)

Background: Numerous local government agencies which are considered municipal corporations are authorized to borrow money and issue short-term obligations to finance authorized activities. It can be argued that regional transit authorities are not specifically identified as municipal corporations and therefore it is unclear that they may issue short-term obligations. Short-term obligations are warrants, notes or other evidences of indebtedness, except bonds. Regional transit authorities are specifically authorized to issue long-term bonds.

Summary of Bill: Regional transit authorities are identified as agencies that may borrow money and issue short-term obligations.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This ensures that the Regional Transit Authority has the ability to issue short-term obligations in order to smooth out cash flow and meet smaller capital needs.

Testimony Against: None.

Testified: PRO: Senator Horn, prime sponsor; Mary Gates, RTA Board member.