

# FINAL BILL REPORT

## SB 6748

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Synopsis as Enacted

**Brief Description:** Increasing local government debt limits to finance capital facilities.

**Sponsors:** Senators Sellar, Patterson, McCaslin and T. Sheldon.

**Senate Committee on State & Local Government**  
**House Committee on Local Government**

**Background:** The amount that a city or town can borrow using general obligation debt and the purposes for which it can borrow are ruled by both statute and the state Constitution. A city's debt limits or debt capacity are subject to two sets of restrictions. First, under the statutory and constitutional provisions, debt limits set the maximum amount of general obligation debt that a city can have outstanding at any one time. Second, debt limits restrict how much of this capacity can be used for various purposes. Statutorily, a city or town's debt limit is as follows: 2 and 1/2 percent for providing general governing purposes (voted and nonvoted); 2 and 1/2 percent for provision of municipally-owned water, sewer, or electric facilities (voted); and 2 and 1/2 percent for providing open space and parks (voted).

**Summary:** The use of the 2 and 1/2 percent voter approved indebtedness for cities and towns to provide open space and park facilities is expanded to include capital facilities associated with economic development.

**Votes on Final Passage:**

Senate	45	0
House	86	12

**Effective:** March 27, 2000