

SENATE BILL REPORT

SB 6748

As Passed Senate, February 11, 2000

Title: An act relating to increasing a city or town debt limit for purposes of financing capital facilities associated with economic development.

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

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

Brief History:

Committee Activity: State & Local Government: 2/2/2000, 2/3/2000 [DP].
Passed Senate, 2/11/2000, 45-0.

SENATE COMMITTEE ON STATE & LOCAL GOVERNMENT

Majority Report: Do pass.

Signed by Senators Patterson, Chair; Gardner, Vice Chair; Hale, Haugen, Horn, Kline and McCaslin.

Staff: Eugene Green (786-7405)

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 of Bill: The uses for 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.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This bill is especially important to the City of Leavenworth. It is trying to find ways to make the city a year-round tourist attraction by converting an old fruit warehouse into a conference/convention center. The bill does not increase total debt. It just adds another use for which debt may be incurred.

Testimony Against: None.

Testified: Ron Rosenbloom, AWC (pro).