

FINAL BILL REPORT

ESHB 1288

C 3 L 03 E1

Synopsis as Enacted

Brief Description: Issuing general obligation bonds.

Sponsors: By House Committee on Capital Budget (originally sponsored by Representatives Dunshee and Alexander; by request of Office of Financial Management).

House Committee on Capital Budget

Background:

The State of Washington periodically issues general obligation bonds to finance projects authorized in the capital and transportation budgets. General obligation bonds pledge the full faith and credit and taxing power of the state towards payment of debt service. Legislation authorizing the issuance of bonds requires a 60 percent majority vote in both the House of Representatives and the Senate.

Bond authorization legislation generally specifies the account or accounts into which bond sale proceeds are deposited, as well as the source of debt service payments. When debt service payments are due, the State Treasurer withdraws the amounts necessary to make the payments from the State General Fund and deposits them into the bond retirement funds.

The State Finance Committee, composed of the Governor, the Lieutenant Governor, and the State Treasurer, is responsible for supervising and controlling the issuance of all state bonds.

Summary:

The State Finance Committee is authorized to issue state general obligation bonds to finance \$1.17 billion in projects in the 2003-05 Capital Budget.

The State Treasurer is required to withdraw from state general revenues the amounts necessary to make the principal and interest payments on the bonds and to deposit these amounts into the Bond Retirement Account.

Votes on Final Passage:

First Special Session

House 90 6

Senate 46 0

Effective: June 20, 2003