

FINAL BILL REPORT

ESSB 5908

C 18 L 03 E1
Synopsis as Enacted

Brief Description: Enacting the building Washington's future act.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Zarelli, Rossi, Carlson, Kohl-Welles, Fairley, B. Sheldon, Keiser, McAuliffe, West and Winsley).

Senate Committee on Ways & Means

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. For reimbursable bonds, an equal amount is then transferred to the bond retirement account from the source of the reimbursement.

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 \$750 million of state general obligation bonds to finance higher education projects over the next 3 biennia. The stated intention for this new money is added spending for higher education institutions while maintaining the historical funding levels in the underlying capital budget.

Votes on Final Passage:

Senate 48 1

First Special Session

Senate 44 2

House 86 8

Effective: September 9, 2003