
Capital Budget Committee

HB 3314

Brief Description: Authorizing the issuance of general obligation bonds.

Sponsors: Representative Dunshee.

Brief Summary of Bill

- Authorizes the issuance of \$324.4 million in state general obligation bonds to finance the Columbia River Basin Water Supply Development Program, prison expansion, and rehabilitation of the Hood Canal.

Hearing Date: 2/22/06

Staff: Susan Howson (786-7142).

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 of Bill:

The State Finance Committee is authorized to issue state general obligation bonds to finance three specific purposes. Authority is provided for \$74.4 million of bonds to expand prison capacity. Authority is provided for \$200 million of bonds for the Columbia River Basin Water Supply Development Program created in Engrossed Second Substitute House Bill 2860. Authority is also provided for \$50 million of bonds for the rehabilitation of the Hood Canal. 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.

Appropriation: None.

Fiscal Note: Not requested.

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