

FINAL BILL REPORT

ESHB 3316

C 167 L 06

Synopsis as Enacted

Brief Description: Authorizing the issuance of general obligation bonds.

Sponsors: By House Committee on Capital Budget (originally sponsored by Representatives Dunshee, Linville, Grant and Kessler).

House Committee on Capital Budget
Senate Committee on Ways & Means

Background:

Washington periodically issues general obligation bonds to finance projects authorized in the state 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 three specific purposes.

Authority is provided for \$59.3 million of bonds to expand prison capacity. Authority is provided for \$200 million of bonds over five biennia for the Columbia River Basin Water Supply Development Program created in 2006. Authority is provided for \$6.9 million of bonds for the rehabilitation of state parks on the Hood Canal. Authority is provided for \$7.4 million of bonds for rehabilitation of state parks on the Puget Sound.

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:

House 90 7

Senate 47 0

Effective: March 22, 2006