
Transportation Committee

SB 5059

Brief Description: Creating a transportation debt limit.

Sponsors: Senators Haugen, Swecker, Jacobsen, Benton and Rockefeller.

Brief Summary of Bill

- Provides for a Transportation debt limit of 22 percent measured against certain transportation revenues.

Hearing Date: 3/28/05

Staff: Gary Lebow (786-7304).

Background:

The state Constitution limits the amount of expenditures that the state may make for debt service payments to no more than 9 percent of general state revenues. Specifically exempt from this debt limit calculation are bonds whose revenue is pledged from license fees on motor vehicles and excise taxes collected on motor vehicle fuel. The license fees on motor vehicles and the excise taxes collected on motor vehicle fuel are also the revenues that are governed by the 18th Amendment of the Constitution requiring them to be used for "highway purposes" only.

Over time, the state has issued bonds backed by the fuel tax and license fees on motor vehicles to be used for highway and ferry improvements. These bonds require ongoing principal and interest payments from the fuel tax and license fees on motor vehicles. Revenues from these sources are also used for other highway related items such as the State Patrol, Department of Transportation operating and maintenance costs, the Department of Licensing's Vehicle Services Division and others.

Summary of Bill:

The aggregate principal and interest payments on bonds which are backed by state transportation bond payment revenue may not exceed 22 percent of total state transportation bond payment revenues. State transportation bond payment revenues are defined as the portion of the fuel tax that is distributed to the Motor Vehicle Account, Ferry Operations Account, and Puget Sound Capital Construction Account and all state license fees on motor vehicles. State transportation bond payment revenues do not include distributions to the Transportation 2003 (nickel) Account, Special C Account or any accounts managed by the County Road Administration board and the Transportation Improvement Board.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.