

SENATE BILL REPORT

HB 1182

As Reported By Senate Committee On:
Ways & Means, March 22, 2005

Title: An act relating to making payments under certain bond authorization acts.

Brief Description: Making payments under certain bond authorization acts.

Sponsors: Representatives Springer, Green and Ormsby; by request of State Treasurer.

Brief History: Passed House: 3/09/05, 96-0.

Committee Activity: Ways & Means: 3/22/05 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Doumit, Vice Chair; Fraser, Vice Chair; Zarelli, Ranking Minority Member; Brandland, Fairley, Kohl-Welles, Parlette, Pflug, Pridemore, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Thibaudeau.

Staff: Steve Jones (786-7440)

Background: When authorized by statute, the state issues general obligation bonds to obtain financing for capital projects. Debt service, including interest and principal payments, is paid by the State Treasurer to bondholders. For bonds issued prior to 1996, state bond authorization statutes have required the necessary debt service payments to be transferred from the state General Fund to the appropriate bond retirement fund at least 30 days prior to the date on which the debt service is to be paid. With the increased use of electronic funds transfers, bond authorization statutes enacted since 1996 have required same-day transfer of debt service funds.

Summary of Bill: The 30-day requirement for the transfer of debt service payments is eliminated. The transfers may be made on the date on which the debt service payments are due.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For (On Companion Senate Bill 5205): The bill modernizes the state's bond repayment statutes and creates a uniform system for the timing of debt service payments.

Testimony Against (On Companion Senate Bill 5205): None.

Who Testified (On Companion Senate Bill 5205): Svein Braseth, State Treasurer's Office.