

SENATE BILL REPORT

SB 5205

As Reported By Senate Committee On:
Ways & Means, February 24, 2005

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

Brief Description: Making payments under certain bond authorization acts.

Sponsors: Senators Fraser and Hewitt; by request of State Treasurer.

Brief History:

Committee Activity: Ways & Means: 2/23/05, 2/24/05 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

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

Staff: Brian Sims (786-7431)

Background: Prior to computers and electronic funds transfer it was necessary to provide sufficient time to accumulate funds in one account leading up to a bond payment. Current law requires the transfer of funds to bond retirement accounts 30 day prior to a bond payment. This provision boosted confidence in the bond markets that Washington would pay bond holders on time. Modern technology now allows money to move between accounts within seconds. Bond authorization bills since 1996 have required same day transfers for bond payments for newly issued bonds. Over \$600 million in outstanding bonds are still subject to the 30 day requirement.

Summary of Bill: The bill requires same day transfer of funds into the bond retirement accounts.

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: The bill modernized our statutes for bond repayments and creates a uniform system for the timing of those payments.

Testimony Against: None.

Who Testified: PRO: Svein Braseth, State Treasurer's Office.