
Transportation Committee

HB 1956

Brief Description: Authorizing bonds for transportation funding.

Sponsors: Representatives Clibborn, Ryu, Lias, Moscoso and Fey.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Authorizes the issuance of up to \$3.2 billion of general obligation bonds.

Hearing Date: 4/19/13

Staff: David Munnecke (786-7315).

Background:

Washington periodically issues general obligation bonds to fund transportation capital projects with a long-term expected life span. General obligation bonds pledge the full faith, 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. The proceeds of the bonds must then be appropriated for transportation projects.

The State Finance Committee (Committee) was created in 1921, and is composed of the Governor, the Lieutenant Governor, and the State Treasurer. The Committee authorizes the issuance and establishes the terms, conditions, and manner of the sale of all bonds, notes, and other debt for the state to finance capital projects in the state's capital and transportation budgets. Article VIII, Section 1(a) of the State Constitution and existing statutes limit the term of state general obligation bonds to 30 years.

Summary of Bill:

The State Finance Committee is authorized to issue \$3.2 billion in state general obligation bonds to finance projects or improvements identified as Connecting Washington projects or

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improvements. The bonds are backed by the motor fuels taxes, the motor vehicle excise taxes, and the full faith and credit of the state.

Appropriation: None.

Fiscal Note: Requested on April 18, 2013.

Effective Date: The bill takes effect on August 1, 2013.