

HOUSE BILL REPORT

ESSB 5036

As Passed House:
June 29, 2013

Title: An act relating to state general obligation bonds and related accounts.

Brief Description: Concerning state general obligation bonds and related accounts.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Honeyford, Nelson and Shin; by request of Governor Gregoire).

Brief History:

Committee Activity:

None.

Second Special Session

Floor Activity:

Passed House: 6/29/13, 79-4.

Brief Summary of Engrossed Substitute Bill

- Authorizes the issuance of general obligation bonds to support appropriations in the 2013 Supplemental and 2013-15 Capital Budget.

Staff: Susan Howson (786-7142).

Background:

Washington periodically issues general obligation bonds to finance projects authorized in the capital and transportation budgets. 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. 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 (Treasurer) withdraws the amounts necessary to make the payments from the State General Fund and deposits them into bond retirement funds.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The State Finance Committee, composed of the Governor, the Lieutenant Governor, and the Treasurer, is responsible for supervising and controlling the issuance of all state bonds.

Summary of Bill:

The State Finance Committee is authorized to issue \$2 billion in state general obligation bonds to finance projects in the 2013 Supplemental and 2013-15 Capital Budget. 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 Debt Limit General Fund Bond Retirement Account.

If the State Finance Committee deems it necessary to issue Columbia River Basin bonds authorized in 2006 as taxable bonds, the proceeds must be transferred to the Columbia River Basin Taxable Bond Water Supply Development Account, rather than the State Taxable Building Construction Account.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.