

SENATE BILL REPORT

SB 5036

As Reported by Senate Committee On:
Ways & Means, April 11, 2013

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

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

Sponsors: Senators Honeyford, Nelson and Shin; by request of Governor Gregoire.

Brief History:

Committee Activity: Ways & Means: 4/10/13, 4/11/13 [DPS, w/oRec].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5036 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hill, Chair; Baumgartner, Vice Chair; Honeyford, Capital Budget Chair; Nelson, Assistant Ranking Member; Bailey, Becker, Braun, Hewitt, Padden, Parlette, Rivers, Schoesler and Tom.

Minority Report: That it be referred without recommendation.

Signed by Senators Hargrove, Ranking Member; Conway, Fraser, Hasegawa, Hatfield, Keiser, Kohl-Welles, Murray and Ranker.

Staff: Brian Sims (786-7431)

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 toward 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 withdraws the amounts necessary to make the payments from the state General Fund and deposits them into bond retirement funds. The State Finance Committee, composed of the Governor, the Lieutenant Governor, and the State Treasurer, is responsible for supervising and controlling the issuance of all state bonds.

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.

Summary of Bill (Recommended Substitute): The State Finance Committee is authorized to issue state general obligation bonds to finance \$1.6 billion in projects in the 2013 Supplemental and 2013-15 Capital Budgets. The State Treasurer must withdraw from state general revenues the amounts necessary to make the principal and interest payments on the bonds and deposit these amounts into the Bond Retirement Account.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Substitute): Adjustments to bond authority are made to correspond to adjustments made in the capital budget bill.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: None

Persons Testifying: No one.