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## Capital Budget Committee

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### ESSB 5838

**Brief Description:** Concerning the capital construction of and bonding for addressing the facilities maintenance backlog for the state parks and recreation commission.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Rossi, Kuderer, Palumbo, Braun, Hunt, Fain, O'Ban, Hawkins, Brown, Sheldon, Rivers, Zeiger, Angel, Bailey, Honeyford, Miloscia, Walsh, Wilson, Becker, Warnick, Mullet and Hobbs).

#### Brief Summary of Engrossed Substitute Bill

- Establishes a priority for using bonding authority to alleviate a backlog of maintenance needs at state parks.
- Authorizes the State Finance Committee to issue bonds.
- Anticipates that approximately \$500 million in state bonds will be needed for five consecutive biennia to achieve this goal.

**Hearing Date:**

**Staff:** Steve Masse (786-7115).

**Background:**

State Parks and Recreation Commission.

State Parks and Recreation Commission has the authority to build and maintain structures such as cabins and comfort stations to support state parks. The state has not been able to sufficiently maintain these facilities. With an average of 33 million visitors per year, many facilities are in need of repair or replacement. There are 125 developed state parks, totaling 125,000 acres. Deferred maintenance projects span the state and include such items as fixing septic systems to keep park bathrooms functional; fixing electrical and sewage hook-up stations for public recreational vehicle use; and updating numerous facilities to ensure the public's ability to continue to use the park.

State Finance Committee.

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*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 (Committee), composed of the Governor, the Lieutenant Governor, and the State Treasurer, is responsible for supervising and controlling the issuance of all state bonds. The Committee periodically issues general obligation bonds to finance projects authorized in the capital budget. No bonds may be authorized for sale without prior legislative appropriation of the net proceeds. General obligation bonds pledge the full faith, credit, and taxing power of the state toward payment of debt service. Funding to pay for principal and interest on those bonds is appropriated from the State General Fund in the Operating Budget. A bond bill authorizes the Committee to issue general obligation bonds up to a specific amount to finance many of the projects in the capital budget. It specifies the amount of bonds to be issued, the account or accounts into which bond sale proceeds are to be deposited, and identifies sources and timing of debt service payments. Legislation authorizing the issuance of bonds requires a 60 percent majority vote in both the House of Representatives and the Senate.

**Summary of Bill:**

The Committee is authorized to issue \$500 million in bonds to address the state parks maintenance backlog. The projects may be funded over five biennia. The increased fiscal impact will come in reserving future biennial funds in the form of a capital bond issuance that dedicates these funds to addressing the issue. The bonds are issued within the existing debt limit. Each budget cycle capital budget writers would approve projects to address the backlog. Proceeds from the bonds must be deposited in the newly created Daniel J. and Nancy Evans State Parks Preservation account.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.