
Capital Budget Committee

HB 2039

Brief Description: Relating to funding capital projects.

Sponsors: Representative Dunshee.

Brief Summary of Bill

- States legislative intent to adopt legislation to fund and finance capital projects from state general obligation bond proceeds.

Hearing Date: 4/22/13

Staff: Susan Howson (786-7142).

Background:

The programs and agencies of state government are funded on a two-year basis, with each biennium beginning on July 1 of each odd-numbered year. The capital budget includes appropriations for the acquisition, construction, and repair of capital assets such as state office buildings, prisons, juvenile rehabilitation centers, residential habilitation centers, mental health facilities, military readiness centers, and higher education facilities. The capital budget also funds a variety of environmental and natural resource projects, parks and recreational facilities, public K-12 school construction, and grant and loan programs that support housing, public infrastructure, community service facilities, art, and historical projects. The sources of funding for the capital budget primarily are state general obligation bonds, trust revenues, and dedicated fees and taxes.

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

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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. 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 Legislature intends to adopt legislation to fund and finance capital projects from state general obligation bond proceeds.

Appropriation: None.

Fiscal Note: Not requested.

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