

HOUSE BILL REPORT

SHB 1396

As Passed House:

February 8, 1996

Title: An act relating to state highway bonds.

Brief Description: Authorizing highway bonds.

Sponsors: By House Committee on Transportation (originally sponsored by Representatives K. Schmidt and R. Fisher).

Brief History:

Committee Activity:

Transportation: 2/5/96 [DPS].

Floor Activity:

Passed House: 2/8/96, 98-0.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 24 members: Representatives K. Schmidt, Chairman; Benton, Vice Chairman; Mitchell, Vice Chairman; Skinner, Vice Chairman; R. Fisher, Ranking Minority Member; Hatfield, Assistant Ranking Minority Member; Backlund; Blanton; Buck; Cairnes; Chandler; Chopp; Elliot; Hankins; Johnson; McMahan; Ogden; Quall; Robertson; Romero; D. Schmidt; Scott; Sterk and Tokuda.

Staff: Brad Lovaas (786-7307).

Background: The Special Category "C" program was established to finance major highway construction projects that could not be accomplished as part of the regular construction program. The three projects are 1) Division Street (north-south route) in Spokane; 2) 1st Avenue South Bridge in Seattle; and 3) SR 18 from I-5 to I-90 in southeast King County.

In 1990 the Legislature dedicated 3/4 of 1 cent of the motor vehicle fuel tax to the Special Category "C" program. In 1993 the Legislature authorized the sale of \$240 million of general obligation bonds for the construction of the three projects mentioned above, and pledged the 3/4 of 1 cent to debt service. The 1st Avenue South Bridge in Seattle and the Division Street project in Spokane are fully funded.

The SR 18 project currently has a funding shortfall of approximately \$178 million.

Summary of Bill: The bond authorization for the Special Category "C" program is increased by \$60 million, from \$240 to \$300 million. This additional bond authorization will be applied to the shortfall for fully funding the SR 18 project.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Lower interest rates provide an opportunity to increase bonds within the revenue stream provided for debt service.

Testimony Against: None.

Testified: Helga Morgenstern, Department of Transportation.