
Capital Budget Committee

PSHB 2299

Brief Description: Issuing general obligation bonds.

Sponsors: Representatives Dunshee and Jarrett; by request of Office of Financial Management.

| |
|---|
| <p style="text-align: center;">Brief Summary of Proposed Substitute Bill</p> <ul style="list-style-type: none">• Authorizes issuance of general obligation bonds to support appropriations in the 2005 Supplemental and 2005-07 Capital Budgets. |
|---|

Hearing Date: 4/13/05

Staff: Susan Howson (786-7142).

Background:

The State of Washington periodically issues general obligation bonds to finance projects authorized in the capital and transportation budgets. General obligation bonds pledge the full faith and 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 withdraws the amounts necessary to make the payments from the state general fund and deposits them into the 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.

Summary of Bill:

The State Finance Committee is authorized to issue state general obligation bonds to finance \$1.3 billion in projects in the 2005 Supplemental and 2005-07 Capital Budgets. This amount also includes \$30 million for a possible supplemental budget for emergency projects in 2006.

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 Bond Retirement Account.

Appropriation: None.

Fiscal Note: Not requested.

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