

SENATE BILL REPORT

ESB 5127

As Passed Senate, April 11, 2012

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

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

Sponsors: Senators Kilmer, Parlette, Murray and Zarelli; by request of Governor Gregoire.

Brief History:

Committee Activity:

Second Special Session: Passed Senate: 4/11/12, 44-2.

Staff: Brian Sims (786-7431)

Background: Washington State operates on a biennial budget cycle. The Legislature authorizes expenditures for capital needs in the capital budget for a two-year period, and authorizes bond sales through passage of a bond bill associated with the capital budget to fund a portion of these expenditures. Approximately one-half of the capital budget is financed by these state-issued general obligation bonds; and the balance is funded by dedicated accounts, trust revenue, and federal funding sources. The primary two-year budget is passed in the odd-numbered years, and a supplemental budget making adjustments to the two-year budget often is passed during the even-numbered years. The current capital budget covers the period from July 1, 2011, through June 30, 2013.

Summary of Engrossed Bill: The capital budget appropriates \$510.4 million in state general obligation bonds to support projects in the 2011 Supplemental Capital Budget. This includes \$5 million in Chehalis River Basin bonds and \$4.95 million in Columbia River Basin Water Supply bonds. The State Finance Committee is authorized to issue state general obligation bonds to finance \$500.5 million in projects in the 2011 Supplemental Capital Budget. 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: Yes.

Fiscal Note: Not requested.

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.

Committee/Commission/Task Force Created: No.

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