

SENATE BILL REPORT

SSB 6069

AS PASSED SENATE, FEBRUARY 8, 1994

Brief Description: Authorizing additional nonvoter-approved municipal indebtedness.

SPONSORS: Senate Committee on Government Operations (originally sponsored by Senators Haugen, Winsley, Prentice and Pelz)

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: That Substitute Senate Bill No. 6069 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chairman; Drew, Vice Chairman; Loveland, Owen and Winsley.

Staff: Rod McAulay (786-7754)

Hearing Dates: January 21, 1994; January 27, 1994

BACKGROUND:

Cities and towns are limited to an indebtedness amount not exceeding 3/4 of 1 percent of the value of the taxable property in such city or town without approval of 60 percent of the voters voting at an election held to approve such indebtedness. This limit also applies to counties and hospital districts. Different limits are placed on other taxing districts.

With 60 percent voter approval, cities and towns may incur additional debt, but not more than 2 1/2 percent of the value of the taxable property in such city or town.

It is believed cities and towns should be permitted to incur a higher level of indebtedness without having to seek the approval of 60 percent of the voters.

SUMMARY:

Counties, cities and towns are limited to an indebtedness amount not exceeding 1 1/2 percent of the value of the taxable property in such city or town without approval of 60 percent of the voters voting at an election held to approve such indebtedness.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

This legislation will help finance increased demands resulting from GMA, seismic safety concerns, and federal disabilities access requirements. It will help to reduce general cost of city operation because of current low interest costs. Basing debt limit on assessed value is no longer a valid measure of ability to service debt. Only 20 percent of revenue comes from property taxes.

TESTIMONY AGAINST: None

TESTIFIED: PRO: Tom Weeks, Seattle City Council; Stan Finkelstein, AWC; Gary Lowe, WSAC