

FINAL BILL REPORT

SHB 1071

C 17 L 95 E2
Synopsis as Enacted

Brief Description: Authorizing general obligation bonds for costs incidental to the 1995-97 biennium.

Sponsors: House Committee on Capital Budget (originally sponsored by Representatives Sehlin, Ogden and Dellwo; by request of Office of Financial Management).

House Committee on Capital Budget
Senate Committee on Ways & Means

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. 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.

Cities and towns are authorized to refund bonds payable from specific revenue sources, including public utilities, by issuing general obligation bonds. Counties are not authorized to refund revenue bonds by issuing general obligation bonds.

Summary: The state finance committee is authorized to issue \$811 million dollars of state general obligation bonds to finance projects appropriated in the 1995-97 capital budget. The proceeds of the sale of the bonds are deposited into five accounts: \$780 million is deposited into the state building construction account; \$20 million is deposited into the outdoor recreation account; \$18.6 million is deposited into the habitat conservation account; \$2.9 million is deposited into the public safety reimbursable bond account; and \$10 million is deposited into the higher education construction account.

The state treasurer is authorized to withdraw from state general revenues the amounts necessary to make principal and interest payments on the bonds. For bond proceeds deposited into the public safety reimbursable bond account, the state treasurer is authorized to reimburse the general fund for principal and interest payments from the

public safety and education account. For bond proceeds deposited into the higher education construction account, the University of Washington is required to reimburse the general fund for principal and interest payments from nonappropriated local funds.

Counties are authorized to refund bonds payable from specific revenue sources, including public utilities, by issuing general obligation bonds.

Votes on Final Passage:

House 63 33

First Special Session

House 65 32

Second Special Session

House 67 26

Senate 30 17

Effective: August 24, 1995