

HOUSE BILL REPORT

ESHB 1430

As Amended by the Senate

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

Brief Description: Issuing general obligation and revenue bonds.

Sponsor(s): By House Committee on Capital Facilities & Financing (originally sponsored by Representative H. Sommers; by request of Governor Gardner).

Brief History:

Reported by House Committee on:
Capital Facilities & Financing, April 16, 1991, DPS;
Passed House, April 18, 1991, 88-10;
Amended by Senate.

**HOUSE COMMITTEE ON
CAPITAL FACILITIES & FINANCING**

Majority Report: *That Substitute House Bill No. 1430 be substituted therefor, and the substitute bill do pass.*
Signed by 12 members: Representatives H. Sommers, Chair; Rasmussen, Vice Chair; Schmidt, Ranking Minority Member; Neher, Assistant Ranking Minority Member; Casada; Fraser; Heavey; Jacobsen; Ogden; Peery; Silver; and Wang.

Minority Report: *Do not pass.* Signed by 2 members: Representatives Braddock and Brough.

Staff: Bill Robinson (786-7140).

Background: The state of Washington periodically issues general obligation bonds to finance capital construction projects throughout the state. The specific legislative approval of a capital project is contained in the capital appropriations act. Those appropriations requiring state bonding depend on legislation authorizing the sale of bonds. Bond authorization legislation requires a 60 percent majority vote in both the House of Representatives and the Senate.

Summary of Bill: The state finance committee is authorized to issue \$1,086,000,000 in state general obligation bonds to finance new construction and other state projects contained

in the 1991-93 capital budget. The bonds are supported by the full faith credit of the state. Of the total bond authority, \$17.5 million is transferred into the energy efficiency construction account to make loans to school districts for energy efficiency projects. To promote and administer energy efficiency projects, \$3.3 million is transferred to the energy efficiency services account. The loans and administration are to be repaid by the energy savings resulting from the projects.

General Administration, in cooperation with the Office of Financial Management, must develop a plan for rental changes to occupants of state buildings. The plan must be submitted to the House Capital Facilities and Financing Committee and the Senate Ways and Means Committee by December 1, 1991. General Administration must establish a parking fee for state owned and leased property consistent with legislative intent to reduce state subsidization of parking.

EFFECT OF SENATE AMENDMENT(S): The amount of the bond authorization is reduced from \$1,086,000,000 to \$959,500,000. The amount transferred into the energy efficiency construction account is reduced from \$17.5 million to \$5 million and the energy efficiency services account from \$3.3 million to \$1.1 million. \$100 million is transferred into the common school construction account and the debt service on these bonds is to be paid from the state property tax and exempted from the statutory debt limit. \$91 million is transferred into the higher education reimbursable construction account and the debt service on these bonds is to be paid from student operating fees and exempted from the statutory debt limit.

Fiscal Note: Not requested.

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

Testimony For: None.

Testimony Against: None.

Witnesses: None.

VOTE ON FINAL PASSAGE:

Yeas 88; Nays 10

Nays: Representatives Beck, Braddock, Brough, Edmondson, Fuhrman, Hochstatter, Lisk, Morton, Padden, Van Luven