

SENATE BILL REPORT

ESHB 1430

AS REPORTED BY COMMITTEE ON WAYS & MEANS, APRIL 24, 1991

**Brief Description:** Issuing general obligation and revenue bonds.

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

**HOUSE COMMITTEE ON CAPITAL FACILITIES & FINANCING**

**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** Do pass as amended.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Bailey, Bluechel, Cantu, Hayner, Johnson, Matson, Newhouse, Saling, L. Smith, and West.

**Staff:** Terry Wilson (786-7715)

**Hearing Dates:** April 24, 1991

**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:**

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 bonding 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 administrative costs are to be repaid by the energy savings resulting from the projects.

The Department of General Administration, in cooperation with the Office of Financial Management, must develop a plan for assessing rental charges 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. The Department of General Administration must establish a parking fee for state owned and leased property consistent with legislative intent to reduce state subsidization of parking.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested

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

**EFFECT OF PROPOSED SENATE AMENDMENT:**

The State Finance Committee is authorized to issue \$959,500,000 in state general obligation bonds to finance new construction and other state projects contained in the 1991-93 capital budget. Of the total bonding authority:

- 1) \$5.5 million is transferred into the energy efficiency construction account to make loans to school districts for energy efficiency projects.
- 2) \$1.1 million is transferred to the energy efficiency services account to promote and administer energy efficiency projects.
- 3) \$100 million is transferred to the common school construction fund for K-12 capital projects. Bonds issued for these purposes are to be repaid from state property taxes.
- 4) \$91.6 million is transferred to the higher education reimbursable construction account for higher education capital projects. Bonds issued for these purposes are to be repaid from higher education operating fees.
- 5) \$4.7 million is transferred to the state wildlife fund for wildlife capital projects. Payments on bonds issued for these purposes are to be reimbursed from the wildlife fund.

**TESTIMONY FOR:** None

**TESTIMONY AGAINST:** None

**TESTIFIED:** No one