

# HOUSE BILL REPORT

## ESSB 5908

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**As Passed House:**

June 6, 2003

**Title:** An act relating to capital construction of and bonding for facilities for institutions of higher education.

**Brief Description:** Enacting the building Washington's future act.

**Sponsors:** By Senate Committee on Ways & Means (originally sponsored by Senators Zarelli, Rossi, Carlson, Kohl-Welles, Fairley, B. Sheldon, Keiser, McAuliffe, West and Winsley).

**Brief History:**

**First Special Session**

**Floor Activity:**

Passed House: 6/6/03, 86-8.

**Brief Summary of Engrossed Substitute Bill**

- Authorizes \$750 million in state bonds for additional higher education projects over approximately the next three biennia.

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### HOUSE COMMITTEE ON CAPITAL BUDGET

**Majority/Minority Report:** None.

**Staff:** Charlie Gavigan (786-7340).

**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. When debt

service payments are due, the State Treasurer withdraws the amounts necessary to make the payments from the state General Fund and deposits them into the bond retirement funds. For reimbursable bonds, an equal amount is then transferred to the bond retirement account from the source of the reimbursement.

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.

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**Summary of Bill:**

The State Finance Committee is authorized to issue \$750 million of state general obligation bonds to finance higher education projects over approximately the next three biennia. These funds augment funding typically provided for higher education in the capital budget.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** None.

**Testimony Against:** None.

**Testified:** None.