

SENATE BILL REPORT

ESHB 3316

As of March 8, 2006

Title: An act relating to authorizing state general obligation bonds for correctional facilities, Hood Canal and Puget Sound rehabilitation, and the Columbia river basin water supply development program.

Brief Description: Authorizing the issuance of general obligation bonds.

Sponsors: House Committee on Capital Budget (originally sponsored by Representatives Dunshee, Linville, Grant and Kessler).

Brief History: Passed House: 2/28/06, 90-7.

Committee Activity: Ways & Means:

SENATE COMMITTEE ON WAYS & MEANS

Staff: Steve Jones (786-7440)

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.

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.

Summary of Bill: The State Finance Committee is authorized to issue state general obligation bonds to finance four specific purposes.

Authority is provided for \$59.3 million of bonds to expand prison capacity. Authority is provided for \$200 million of bonds over five biennia for the Columbia River Basin Water Supply Development Program created in Engrossed Second Substitute House Bill 2860. Authority is provided for \$6.9 million of bonds for the rehabilitation of state parks on the Hood Canal. Authority is provided for \$7.4 million of bonds over three biennia for rehabilitation of state parks on the Puget Sound.

The State Treasurer is required to withdraw from state general revenues the amounts necessary to make the principal and interest payments on the bonds and to deposit these amounts into the Bond Retirement Account.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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