
Transportation Committee

HJR 4206

Brief Description: Increasing state indebtedness limits for transportation projects.

Sponsors: Representatives Clibborn, Jarrett, Hunter, Eddy, Springer, Anderson, Flannigan, Kenney, Simpson and Rodne.

Brief Summary of Bill

- Amends the state constitution to allow the state to issue transportation-related debt for terms up to 40 years.

Hearing Date: 1/29/07

Staff: Jeff Olsen (786-7157).

Background:

The state constitution authorizes the state to contract debt. Article VIII, Section 1, of the state constitution limits the contracting of state debt to a term of not more than 30 years. State statute limits the term of local government issued debt to not more than 40 years.

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.

Constitutional amendments require approval of two-thirds of the members of the Senate and House of Representatives, and approval by a majority of the voters at the next general election.

Summary of Bill:

The Constitutional restriction for issuing state debt for not more than 30 years is amended to allow the issuance of debt for transportation projects for up to 40 years. The State Finance Committee may extend the debt up to 80 percent of the useful life of the asset, but may not exceed 40 years.

Appropriation: None.

Fiscal Note: Requested on 1/23/07.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Effective Date: The bill takes effect upon ratification by the majority of voters at the next general election.