

# SENATE BILL REPORT

## SB 5084

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As of March 25, 2021

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

**Brief Description:** Concerning state general obligation bonds and related accounts.

**Sponsors:** Senators Frockt, Mullet and Wilson, C.; by request of Office of Financial Management.

**Brief History:**

**Committee Activity:** Ways & Means: 1/12/21, 3/25/21.

**Brief Summary of Bill**

- Authorizes the State Finance Committee to issue up to \$3,968,924,000 in general obligation bonds to finance projects in the 2021-23 capital budget and to pay issuance and bond sale expenses.

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Richard Ramsey (786-7412)

**Background:** The State Finance Committee (committee), composed of the Governor, the Lieutenant Governor, and the state treasurer, is responsible for supervising and controlling the issuance of all state bonds. The committee periodically issues general obligation bonds to finance projects authorized in the capital budget. No bonds may be authorized for sale without prior legislative appropriation of the net proceeds.

General obligation bonds pledge the full faith, credit, and taxing power of the state toward payment of debt service. Funding to pay for principal and interest on those bonds is appropriated from the state general fund in the operating budget. When debt service payments are due, the state treasurer withdraws the amounts necessary to make the payments and deposits them into bond retirement funds.

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

A bond bill authorizes the committee to issue general obligation bonds up to a specific amount to finance many of the projects in the capital budget. It specifies the amount of bonds to be issued, the account or accounts into which bond sale proceeds are to be deposited, and identifies sources and timing of debt service payments. Legislation authorizing the issuance of bonds requires a 60 percent majority vote in both the House of Representatives and the Senate.

**Summary of Bill (Proposed Substitute):** The State Finance Committee is authorized to issue up to \$3,968,924,000 in general obligation bonds to finance projects in the 2021-23 capital budget and to pay issuance and bond sale expenses.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony on Original Bill (1/12/21):** Please refer to the January 12, 2021 recording of the public hearing on the Senate WM Committee Schedules, Agendas & Documents website at <https://app.leg.wa.gov/committeeschedules/#!/WM/>.

**Persons Testifying:** PRO: Jeff Deluca, Washington State Community Action Partnership.

**Persons Signed In To Testify But Not Testifying:** No one.

**Staff Summary of Public Testimony on Proposed Substitute (3/25/21):** None. Please refer to the March 25, 2021 recording of the public hearing on the Senate WM Committee Schedules, Agendas & Documents website at <https://app.leg.wa.gov/committeeschedules/#!/WM/>.

**Persons Testifying:** No one.

**Persons Signed In To Testify But Not Testifying:** No one.