

FINAL BILL REPORT

ESSB 5084

C 331 L 21

Synopsis as Enacted

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

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Frockt, Mullet and Wilson, C.; by request of Office of Financial Management).

Senate Committee on Ways & Means

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.

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: The State Finance Committee is authorized to issue up to \$3,971,290,793 in general obligation bonds to finance projects in the 2021-23 capital budget and to pay issuance and bond sale expenses.

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.

Votes on Final Passage:

Senate 49 0

House 96 2

Effective: May 18, 2021