

SENATE BILL REPORT

SB 5763

As of March 30, 2023

Title: An act relating to increasing existing bond authority for 2015 connecting Washington projects and improvements.

Brief Description: Increasing existing bond authority for 2015 connecting Washington projects and improvements.

Sponsors: Senators Liias, King, Shewmake and Holy.

Brief History:

Committee Activity: Transportation: 3/30/23.

Brief Summary of Bill

- States legislative intent to complete the majority of 2015 Connecting Washington projects within the original 16-year timeframe.
- Increases Connecting Washington bond authority by \$4.3 billion.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Hayley Gamble (786-7452)

Background: Bonding. Bonds are issued to fund transportation capital projects that have a long-term expected life span. Washington State typically issues 25-year bonds. Bonding authority must be authorized by 60 percent of the Legislature and the proceeds from the sale of the bonds must be appropriated for eligible transportation projects.

Connecting Washington Bond Authority. In 2015, \$5.3 billion in general obligation bond authority was approved to support the 2015 Connecting Washington transportation investment package. These bonds are backed by motor fuel taxes, vehicle fees imposed for highway purposes, and the full faith and credit of the state. As long as the motor fuel tax

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.

and vehicle fees are sufficient to pay debt service, these bonds remain outside of the state debt limit.

Summary of Bill: Legislative intent is to complete the majority of 2015 Connecting Washington projects within the original 16-year timeframe, and state bonds may only be sold when pledged revenues are deemed sufficient to pay the associated debt service.

Connecting Washington bond authority is increased from \$5.3 billion to a new total of \$9.6 billion, a \$4.3 billion increase.

Appropriation: None.

Fiscal Note: Not requested.

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

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: A lot of projects require financing capabilities. Since 2015 there have been dramatic cost increases, a global pandemic and other challenges delivering projects at original costs. This bill will ensure we meet our promise as outlined in the budget of completing 90 percent of Connecting Washington projects within the original 16-year timeframe. It authorizes bonds but does not issue them, that decision will be made as we move along through the budget process.

Persons Testifying: PRO: Senator Marko Liias, Prime Sponsor.

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