

SENATE BILL REPORT

SB 5181

As of February 21, 2011

Title: An act relating to a limitation on state debts.

Brief Description: Creating a statutory limitation on state debts.

Sponsors: Senators Parlette, Kilmer, Zarelli, Murray, Litzow, Rockefeller, Stevens, Becker, Baumgartner and Hill.

Brief History:

Committee Activity: Ways & Means: 2/22/11.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Brian Sims (786-7431)

Background: The state Constitution limits the issuance of state general obligation bonds. The State Treasurer may not issue a debt-limit general obligation bond if the amount of interest and principal payments in any year, along with such payments for existing debt limit bonds, would exceed 9 percent of the average of the annual general state revenue collections for the previous three fiscal years.

Summary of Bill: A more restrictive statutory debt limit is created. Using the same definitions as the constitutional debt limit, the statutory debt limit is phased down to 7 percent over four biennia.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

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