

SENATE BILL REPORT

SB 6218

As of January 18, 2010

Title: An act relating to modifying the local option capital asset lending program to authorize state use of certain voter approved excess tax levies to pay financing contracts and to clarify program participants.

Brief Description: Authorizing use of voter approved local excess tax levies to pay financing contracts under the local option capital asset lending program and clarifying which "other agencies" may participate in the program.

Sponsors: Senators Fraser and Brandland; by request of State Treasurer.

Brief History:

Committee Activity: Ways & Means: 1/19/10.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Brian Sims (786-7431)

Background: In 1989 the Legislature created a program to finance facilities and major equipment for state agencies. The program combines state agency borrowing into larger offerings of securities which reduces the cost of financing. In 1998 the Legislature expanded the program to allow local governments to use the program. Local government agencies can finance equipment or real estate needs through the State Treasurer's Office subject to existing debt limitations and financial considerations. When a local government receives voter approval to issue bonds payable from excess property tax levies they are not eligible to use the financing program of the State Treasurer's Office.

Summary of Bill: Local governments are allowed to use the State Treasurer's Office pooled financing program for voter approved bonds payable from excess property tax levies.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

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