



Sponsor Testimony

Representative Dave Greenspan

House Bill 251

Chair Dever, Vice Chair Sprague, Ranking Member Smith and my esteemed colleagues on the House Committee of Financial Institutions, Housing and Urban Development, I extend my gratitude to each one of you for allowing me to testify before you today as the sponsor for House Bill 251 – which extends, on a permissive basis, the current 5-year limit on political subdivisions investment ability to a limit of 10 years.

Under this proposal, a political subdivision may purchase the debt of another subdivision for a longer period of time, which presents two distinct advantages for both the purchaser and seller. Those political subdivisions purchasing the debt may have an opportunity to earn more investment income than on their traditional or current investments. The political subdivisions selling their debt may pay less interest expense, resulting in savings to taxpayers. As previously indicated, both the seller and purchaser under the proposed extended investment protocol, stand to mutually benefit if they so choose.

As for the motivating impetus inspiring this bill, I turn to my Westshore constituency. Two of the five cities I proudly represent, have utilized the current 5-year investment protocol. City officials have on multiple occasions expressed to me the benefit of utilizing the current investment authority, but suggested extending the cap to reduce interest rates in the long term.

House Bill 251 is a common sense, permissive piece of legislation that affirms a responsive and responsible form of government.

Chair Dever and members of this committee on Financial Institutions, Housing and Urban Development, I appreciate the opportunity today to present House Bill 251 for your consideration and respectfully urge swift committee referral to the House of Representatives for passage.

I am available and pleased to answer questions from the committee.

