

March 27, 1997

BILL ANALYSIS

TO: Members, Committee on Trade and Economic Development
FROM: Kenny Pittman, Research Analyst (786-7392)
RE: **SB 5713 - Defining nonprofit corporation.**

BACKGROUND:

The Washington State Housing Finance Commission (WSHFC) was created in 1983, to stimulate the production of affordable single, multifamily, and special needs housing. This is accomplished through the issuance tax-exempt or taxable nonrecourse revenue bonds and the administration of various federal and state housing and housing-related programs.

In 1990, the WSHFC was authorized to assist in the development of nonprofit cultural and educational facilities through the issuance of nonrecourse revenue bonds and secured loans. Some nonprofit entities served by the WSHFC are organized as corporations and some are organized as partnerships, associations, or other legal formats.

The current statute that authorizes the WSHFC to engage in lending activities refers only to nonprofit corporations—described under section 501(c)(3) of the Internal Revenue Code.

SUMMARY:

The nonprofit facilities portion of the Washington State Housing Finance Commission statute is amended to refer to nonprofit organization— instead of nonprofit corporation.— The nonprofit organization must still be described under section 501(c)(3) of the Internal Revenue Code.

Appropriation: None.

Fiscal Note: Not requested.

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