

FINAL BILL REPORT

SHB 1555

C 139 L 93
Synopsis as Enacted

Brief Description: Concerning the use of funds by a public corporation formed by a municipality.

By House Committee on Local Government (originally sponsored by Representatives Springer, Riley, Edmondson, Zellinsky, Horn, Sheldon, Kremen, Bray, Ludwig and Quall).

House Committee on Local Government
Senate Committee on Government Operations

Background: A city, town, county, or port district may create a public corporation to help finance the project costs of industrial development facilities. These public corporations may issue industrial development revenue bonds; construct, hold, lease, or sell industrial development facilities; and make loans for the purpose of providing financing for the project costs of an industrial development facility.

A public corporation is prohibited from commingling funds derived from the sale of revenue bonds, revenue derived from industrial development facilities, or interest on moneys received with funds of the municipality. This prohibition also prevents the public corporation from transferring funds that are not needed for bond debt or for administrative costs to the municipality that created it for growth management, planning, or other economic development purposes.

Summary: A public corporation that is created by a municipality to help finance the cost of industrial development facilities may transfer funds to the municipality if the funds are not encumbered for bond payments and are not anticipated to be necessary for administrative expenses. Funds transferred to the municipality may be used for growth management, planning, or other economic development purposes.

Votes on Final Passage:

House	96	1
Senate	46	1

Effective: July 25, 1993