

HOUSE BILL REPORT

SHB 1555

As Passed House
March 9, 1993

Title: An act relating to the use of administrative funds of a public corporation formed by a municipality.

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

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

Brief History:

Reported by House Committee on:
Local Government, February 19, 1993, DPS;
Passed House, March 9, 1993, 96-1.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives H. Myers, Chair; Bray, Vice Chair; Edmondson, Ranking Minority Member; Reams, Assistant Ranking Minority Member; Dunshee; R. Fisher; Horn; Rayburn; Romero; Springer; Van Luven; and Zellinsky.

Staff: Bill Lynch (786-7092).

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. It is suggested that funds that are not needed by the public corporation for bond debt or for administrative costs should be transferable to the municipality that created it for growth management, planning, or other economic development purposes.

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

Fiscal Note: Not requested.

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

Testimony For: Public corporations have some excess money as a result of their success. This money can have a significant positive impact on the municipality's ability to achieve other economic development goals.

Testimony Against: None.

Witnesses: Kenneth O'Hollaren, Executive Director, Port of Longview (pro).