

SENATE BILL REPORT

SB 5224

AS REPORTED BY COMMITTEE ON TRADE, TECHNOLOGY &
ECONOMIC DEVELOPMENT, JANUARY 26, 1994

Brief Description: Establishing the office of international capital projects.

SPONSORS: Senators Skratek, Bluechel, Erwin, M. Rasmussen, Deccio and Winsley

SENATE COMMITTEE ON TRADE, TECHNOLOGY & ECONOMIC DEVELOPMENT

Majority Report: That Second Substitute Senate Bill No. 5224 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Skratek, Chairman; Sheldon, Vice Chairman; Bluechel, Cantu, Erwin, M. Rasmussen and Williams.

Staff: Patrick Woods (786-7430)

Hearing Dates: January 27, 1993; February 10, 1993; January 21, 1994; January 26, 1994

BACKGROUND:

A considerable number of major urban and rural development projects which are often referred to as "capital projects" are undertaken each year throughout the world. A large percentage of the projects are funded through international financial institutions such as the World Bank, Africa Bank or Asian Bank, and the projects are of such magnitude as to require the expertise and resources of a consortium of businesses. Additionally, initial government involvement is often advantageous for businesses attempting to secure contracts for capital projects.

SUMMARY:

The original bill was not considered this session.

EFFECT OF PROPOSED SECOND SUBSTITUTE:

A pilot program named the Office of Capital Projects is established within the Department of Trade and Economic Development. The office is required to: assist businesses in the development of business consortiums; assist consortiums to market their products and services in international markets; compile information on capital project opportunities; and provide initial assistance to consortiums and individual businesses in securing capital project contracts.

The office may seek and receive funds from public and private sectors, and coordinate with other governmental agencies. It

may also charge reasonable fees for the use of its services. Contracts entered into by consortiums or individual businesses do not constitute a contract with the state or a lending of the state's credit. The office is prohibited from entering into a binding contract with foreign governments.

The office is scheduled to terminate under the sunset process on June 30, 1999. The Legislative Budget Committee is required to review the number of firms, the number of jobs created and retained and the level of satisfaction among firms assisted by the office by July 1, 1996.

Appropriation: \$100,000

Revenue: none

Fiscal Note: available

TESTIMONY FOR: None

TESTIMONY AGAINST: None

TESTIFIED: No one