

SENATE BILL REPORT

SB 6395

AS REPORTED BY COMMITTEE ON TRADE, TECHNOLOGY &
ECONOMIC DEVELOPMENT, FEBRUARY 2, 1994

Brief Description: Modifying provisions regarding the Washington economic development finance authority.

SPONSORS: Senators Skratek, Bluechel, Williams, Erwin, M. Rasmussen and Snyder; by request of Department of Trade and Economic Development

SENATE COMMITTEE ON TRADE, TECHNOLOGY & ECONOMIC DEVELOPMENT

Majority Report: Do pass.

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

Staff: Traci Ratzliff (786-7452)

Hearing Dates: January 27, 1994; February 2, 1994

BACKGROUND:

The Washington Economic Development Finance Authority (WEDFA) was established in 1989 to: develop programs to fund export transactions for small businesses that cannot get commercial loans from private lenders; provide advance or up front financing for economic development to farmers based on their subsidy from the federal government for not growing crops; pool loans guaranteed by the federal government; and access federal development financing programs.

WEDFA is authorized to issue nonrecourse bonds to conduct its programs. These bonds are not obligations of the state.

Concerns have been raised about the ongoing difficulty of acquiring capital financing for the purposes of financing economic development facilities within this state. It is suggested that WEDFA is ideally suited to provide much needed capital for such projects.

SUMMARY:

WEDFA is authorized to develop and conduct a program or programs to provide nonrecourse bond financing for the eligible project costs of economic development facilities.

Economic development facilities eligible for assistance under this program include: manufacturing, processing, research, production, assembly, tooling, warehousing, retail, commercial, lodging, tourism, transportation, parking, public broadcasting, pollution control, solid waste disposal, energy generating, sports facilities and industrial parks.

Eligible project costs include: pre-development, development, project financing, and start-up costs.

Appropriation: none

Revenue: none

Fiscal Note: requested

Effective Date: The bill contains an emergency clause and takes effect immediately.

TESTIMONY FOR:

This bill expands the authority and capacity of WEDFA to help existing businesses meet their capital financing needs. In addition, it can also be used to attract new businesses to the state.

TESTIMONY AGAINST: None

TESTIFIED: PRO: Robert Honeycutt, Nicholas Leland, Jack Lousma, Avtek; Mike Fitzgerald, Director, Dept. of Trade and Economic Development; Dan Gottlieb, Riddell, Williams, Bullit & Walkinshaw; Casey McKinney, Governor's Small Business Improvement Council