

HOUSE BILL REPORT

HB 2779

As Passed House:
February 11, 1998

Title: An act relating to the Washington economic development finance authority.

Brief Description: Extending the Washington economic development finance authority.

Sponsors: Representatives Dunn and Morris.

Brief History:

Committee Activity:

Trade & Economic Development: 2/5/98 [DP].

Floor Activity:

Passed House: 2/11/98, 96-0.

HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: Do pass. Signed by 9 members: Representatives Van Luven, Chairman; Dunn, Vice Chairman; Veloria, Ranking Minority Member; Eickmeyer, Assistant Ranking Minority Member; Alexander; Ballasiotes; Mason; McDonald and Morris.

Staff: Kenny Pittman (786-7392).

Background: The Washington Economic Development Finance Authority (WEDFA) was created by the Legislature in 1989 to help meet the capital needs of small- and medium-sized businesses, in particular businesses located in distressed counties. The WEDFA is authorized to issue nonrecourse revenue bonds to carry out its programs. The bonds may be issued on either a tax-exempt or taxable basis. The bonds issued by the WEDFA are not obligations of the state of Washington.

Currently, the WEDFA may not have more than \$250 million in outstanding bond debt at any time and the authority to issue bonds for its programs expires June 30, 2000.

Summary of Bill: The Washington Economic Development Finance Authority (WEDFA) outstanding bond debt limit is increased from \$250 million to \$500 million. The authority to issue bonds for the WEDFA programs is extended from June 30, 2000 to June 30, 2004.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: WEDFA has provided needed financing to small- and medium-sized businesses. These businesses create needed jobs throughout the state. The proposed changes will allow WEDFA to continue meeting the financing needs of business.

Testimony Against: None.

Testified: Representative Dunn, prime sponsor (pro); and Jonathan Hayes, Washington Economic Development Finance Authority (pro).