

# FINAL BILL REPORT

## SHB 2529

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Synopsis as Enacted

**Brief Description:** Assisting small business exporters.

**Sponsors:** By House Committee on Trade & Economic Development (originally sponsored by Representatives Van Luven, Voloria, McDonald, Kenney, Tokuda, Dickerson, Mason, Kessler, Constantine, Thompson and Ogden; by request of Department of Community, Trade, and Economic Development).

**House Committee on Trade & Economic Development**  
**Senate Committee on Commerce & Labor**

**Background:** The Small Business Export Finance Assistance Center was created in 1983 as a nonprofit corporation to provide financial and technical assistance to small and medium-sized Washington businesses in exporting their goods and services. The center is governed and managed by a 19-member board of directors. Members are appointed by the Governor and confirmed by the Senate for 6-year terms

The center may: (1) make loans to Washington businesses with annual sales of \$25 million or less for the purpose of financing goods or services to buyers in foreign countries, provided that the loans do not compete with or substitute for loans available through private financial institutions; (2) provide loan guarantees on private loans to businesses with annual sales of \$100 million or less for the purpose of financing goods or services to buyers in foreign countries; (3) provide export financial counseling to Washington exporters with annual sales of \$100 million or less, provided the counseling is not available from a Washington for-profit business; and (4) contract with the federal government to become a program administrator for federal risk insurance.

The center may not use state funds to make loans or any payments under a loan guarantee agreement. Debts of the center are its sole debts and may only be satisfied with its resources. The center may charge fees for counseling services. The state is not responsible for debts of the center.

**Summary:** The Small Business Export Finance Assistance Center board of directors is reduced from 19 members to seven members. Members are appointed to the board, with advice from board members, by the Governor. The terms of the board members are reduced from six-year terms to four-year terms. When possible, appointments to the board must reflect a geographic balance and diversity of the state.

The membership of the board of directors is revised to include: (1) the director of the Department of Community, Trade, and Economic Development, or the director's designee; (2) a representative of a large financial institution engaged in financing export transactions in Washington; (3) a representative of a small financial institution engaged in financing export transactions in Washington; (4) a large exporting company located in Washington; (5) a small exporting company located in Washington; (6) a representative of organized labor in a trade involving international commerce; and (7) a representative at large.

The provisions establishing the center's powers and duties are revised. The center may: (1) assist businesses with annual sales of \$200 million or less in obtaining loans and loan guarantees from financial institutions to finance the export of goods and services from Washington; (2) provide export finance and risk mitigation counseling to Washington exporters with annual sales of \$200 million or less, provided the counseling is not available from a Washington for-profit business; (3) assist in obtaining export credit insurance or other forms of foreign risk mitigation to facilitate the export of goods and services from Washington; (4) allow use of the center as a teaching resource to both public and private sponsors of workshops/programs on financing and risk mitigation aspects of exporting from Washington; and (5) develop a comprehensive inventory of public and private export-financing resources, including information on country specific resources and payment terms.

**Votes on Final Passage:**

House 96 0

Senate 49 0 (Senate amended)

House 96 0 (House concurred)

**Effective:** June 11, 1998