

February 5, 1998

BILL ANALYSIS

TO: Members, Committee on Trade and Economic Development
FROM: Kenny Pittman, Research Analyst (786-7392)
RE: **HB 2779 - Extending the Washington economic development
finance authority.**

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:

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.