

March 20, 1997

**BILL ANALYSIS**

TO: Members, Committee on Trade and Economic Development

FROM: Kenny Pittman, Research Analyst (786-7392)

RE: **SSB 5341 - Revising authority of the Washington  
economic development authority to finance projects.**

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**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.

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. The WEDFA, under existing statutes, may not issue bonds to finance more than five economic development projects in a fiscal year.

In 1995, the Legislature authorized the WEDFA to initiate a program to help businesses finance manufacturing and processing equipment. The WEDFA may issue small industrial revenue bonds to finance the purchase of new equipment. These bond issuances are limited to manufacturing or processing projects with individual total project costs of less than \$1 million, and are limited to ten per fiscal year.

**SUMMARY:**

The limitation on the Washington Economic Development Finance Authority's authority to issue bonds to finance five economic development projects per fiscal year and ten small manufacturing or processing activities per fiscal year is removed.

Appropriation: None.

Fiscal Note: Not requested.

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