

HOUSE BILL REPORT

SB 5713

As Passed House

April 8, 1997

Title: An act relating to defining nonprofit corporation for purposes of the Washington state housing finance commission.

Brief Description: Defining nonprofit corporation.

Sponsors: Senators Prentice, Winsley and Hale; by request of Housing Finance Commission.

Brief History:

Committee Activity:

Trade & Economic Development: 3/27/97, 4/2/97 [DP].

Floor Activity:

Passed House: 4/8/97, 98-0.

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; Sheldon, Assistant Ranking Minority Member; Alexander; Ballasiotes; Mason; McDonald and Morris.

Staff: Kenny Pittman (786-7392).

Background: The Washington State Housing Finance Commission (WSHFC) was created in 1983 to stimulate the production of affordable single, multifamily, and special needs housing. This is accomplished through the issuance of tax-exempt or taxable nonrecourse revenue bonds and the administration of various federal and state housing and housing-related programs.

In 1990, the WSHFC was authorized to assist in the development of nonprofit cultural and educational facilities through the issuance of nonrecourse revenue bonds and secured loans. Some nonprofit entities served by the WSHFC are organized as corporations and some are organized as partnerships, associations, or other legal formats.

The current statute that authorizes the WSHFC to engage in lending activities refers only to nonprofit corporations– described under section 501(c)(3) of the Internal Revenue Code.

Summary of Bill: The nonprofit facilities portion of the Washington State Housing Finance Commission statute is amended to refer to a nonprofit organization– instead of a nonprofit corporation.– The nonprofit organization must still be described under section 501(c)(3) of the Internal Revenue Code.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: The bill corrects a terminology problem. Most nonprofit educational groups are often organized as associations or organizations, with this change they would have access to tax-exempt financing. They still have to meet the requirements of a nonprofit organization under federal law.

Testimony Against: None.

Testified: Pamela Mead, Washington State Housing Finance Commission (Pro).