

SENATE BILL REPORT

SB 5368

As Passed Senate, March 19, 1997

Title: An act relating to providing supplemental appropriation authority for the development loan fund.

Brief Description: Providing supplemental appropriation authority for the development loan fund.

Sponsors: Senators Snyder and Hargrove.

Brief History:

Committee Activity: Commerce & Labor: 2/11/97, 2/25/97 [DP-WM].

Ways & Means: 3/10/97 [DP].

Passed Senate, 3/19/97, 49-0.

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Schow, Chair; Horn, Vice Chair; Franklin, Fraser and Heavey.

Staff: Jack Brummel (786-7428)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators West, Chair; Deccio, Vice Chair; Strannigan, Vice Chair; Bauer, Brown, Fraser, Hochstatter, Long, Loveland, McDonald, Roach, Rossi, Schow, Sheldon, Snyder, Spanel, Swecker, Thibaudeau, Winsley and Zarelli.

Staff: Cathy Baker (786-7708)

Background: The development loan fund is a revolving loan fund administered by the Department of Community, Trade, and Economic Development (CTED). The fund was established in 1985 to provide low-interest loans to businesses in distressed areas using federal community development block grant funds.

The development loan fund received an appropriation of \$3.5 million in the current biennium. Because of increased loan activity, the department reached the limit of its appropriation authority for this fund six months before the end of the biennium. However, due to loan repayments and interest, the fund has a cash balance of approximately \$1.7 million. If a supplemental appropriation is made, additional loans may be made before the end of the biennium.

Summary of Bill: An adjustment is made in the appropriation authority for the development loan fund. The 1995-96 appropriation is increased from \$3.5 million to \$4.2 million.

Appropriation: \$4,200,000.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For (Commerce & Labor): These loans are needed in distressed areas. This bill would allow additional loans this biennium with available funds.

Testimony Against (Commerce & Labor): None.

Testified (Commerce & Labor): Senator Snyder, prime sponsor.

Testimony For (Ways & Means): This bill makes a technical correction to the appropriation for the development loan fund. There is money in the fund, but CTED needs an increase in its appropriation in order to continue making loans.

Testimony Against (Ways & Means): None.

Testified (Ways & Means): Senator Sid Snyder, prime sponsor.