

# FINAL BILL REPORT

## SB 6159

---

C 12 L 98

Synopsis as Enacted

**Brief Description:** Repealing the authority for the Washington land bank.

**Sponsors:** Senators Morton and Rasmussen.

**Senate Committee on Agriculture & Environment**

**House Committee on Agriculture & Ecology**

**Background:** During the early 1980s, there was a significant downturn in the agricultural economy on a nationwide basis. Major banks were incurring losses on farm loans due to the inability of operators to make payments. Due to a high rate of losses, traditional farm credit institutions were reluctant to provide loans to farmers except those with a solid financial picture. The federal farm credit system was incurring losses and was in the process of restructuring.

Due to concerns about availability of sufficient farm credit, efforts were made to establish a State Land Bank that was patterned after the Federal Land Bank. In 1986, legislation was passed authorizing the creation of a State Land Bank. Debts and obligations of the land bank were not debts or obligations of the state of Washington.

Because there was no available source of capital funds from which to make loans, a State Land Bank was not established. The current statute and current regulations promulgated by the Office of Financial Management have not been actively used since enactment.

**Summary:** The statute providing authority for the establishment of a State Land Bank is repealed.

**Votes on Final Passage:**

Senate	42 0
House	95 0

**Effective:** June 11, 1998