

FINAL BILL REPORT

SHB 1295

C 304 L 01

Synopsis as Enacted

Brief Description: Modifying revenue bond provisions of the economic development finance authority.

Sponsors: By House Committee on Trade & Economic Development (originally sponsored by Representatives Dunn, Dunshee, Mielke, Fromhold, Hunt, Miloscia, Roach and Benson).

House Committee on Trade & Economic Development
Senate Committee on Economic Development & Telecommunications

Background:

The Washington Economic Development Finance Authority (WEDFA) was created in 1989 to help meet the capital needs of small and medium-sized businesses, in particular businesses located in distressed areas of the state. The WEDFA is authorized to provide financing to businesses, for eligible project costs, through the issuance of tax-exempt or taxable nonrecourse revenue bonds. The bonds issued by the WEDFA are not obligations of the state. The WEDFA is authorized to provide financing for activities related to manufacturing, processing, research and development, production, assembly, tooling, warehousing, pollution control, and energy generation, conservation and transmission.

The WEDFA is required to develop an annual finance plan that outlines its financing objectives. As part of the financing plan, the WEDFA is required to develop an outreach and marketing plan that is designed to increase its financial services to distressed counties. The WEDFA is limited to having no more than \$500 million in total outstanding indebtedness at any time. After June 30, 2004, the WEDFA may not issue bonds for its financing programs.

Summary:

The Washington Economic Development Finance Authority's (WEDFA) required outreach and marketing plan, which is part of the WEDFA financing plan, is revised by removing reference to distressed counties and replacing it with rural counties and counties that are smaller than 225 square miles in size. A rural county is defined as a county with a population density of less than 100 people per square mile.

The WEDFA statutory limitation on the amount of its outstanding indebtedness limit is increased from \$500 million to \$750 million. The WEDFA prohibition against issuing

bonds for the purpose of its programs is extended from June 30, 2004 to June 30, 2006.

Votes on Final Passage:

House 98 0

Senate 49 0 (Senate amended)

House 91 0 (House concurred)

Effective: May 14, 2001