

***Trade & Economic Development
Committee***

HB 1295

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

Sponsors: *Representatives Dunn (co-prime sponsor), Dunshee (co-prime sponsor), Mielke, Fromhold, Hunt, Miloscia, Roach and Benson.*

Brief Summary of Bill

- *Removes the Washington Economic Development Finance Authority's \$500 million statutory limitation on the amount of total outstanding debt it can have at any time.*
- *Removes the statutory provision that prohibits the Washington Economic Development Finance Authority from issuing any bonds for its programs after June 30, 2004.*

Hearing Date: *2/8/01*

Staff: *Kenny Pittman (786-7392).*

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 limited to having no more than \$500 million in total outstanding indebtedness at any time. After June 30, 2004, the WEDFA may not issue any bonds for

its financing programs.

Summary of Bill:

The Washington Economic Development Finance Authority's (WEDFA) statutory limitation on the amount of its outstanding indebtedness limit (\$500 million) is removed. The WEDFA's June 30, 2004, prohibition against issuing any bonds for the purpose of its programs is removed.

Appropriation: *None.*

Fiscal Note: *Available.*

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