
**Economic Development,
Agriculture & Trade Committee**

HB 1092

Brief Description: Modifying rural Washington loan fund provisions.

Sponsors: Representatives Grant, Newhouse, Kristiansen and Linville; by request of Department of Community, Trade, and Economic Development.

Brief Summary of Bill

- Authorizes the Rural Washington Loan Fund (RWLF) to retain the interest earnings the fund generates.

Hearing Date: 1/25/05

Staff: Tracey Taylor (786-7196).

Background:

The RWLF is a federally-funded loan program administered by the Department of Community, Trade and Economic Development (DCTED). In order to receive a loan, the project must: result in the creation of employment opportunities, the maintenance of threatened employment or development or expansion of business ownership by minorities and women; conform with federal rules and regulations governing the spending of federal community block grants; be of public benefit and for a public purpose; probably be successful; and need the loan in order to be completed. Except those made to women and minority owned businesses, eighty percent of the appropriated funds are to be made available for projects in distressed areas.

Sixty-six projects in 13 counties have received over \$16 million in public moneys leading to public development investment of over \$136 million. Federal requirements mandate that earnings on federal moneys remain with the program.

Summary of Bill:

The state Treasurer is directed to transfer monthly to the RWLF its proportionate share of earnings based upon the fund's average daily balance.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and Section 1 takes effect July 1, 2005 and expires July 1, 2006. Section 2 takes effect July 1, 2006.