
Housing Committee

HB 2621

Brief Description: Increasing the debt limit of the housing finance commission.

Sponsors: Representatives Miloscia, Holmquist, Ormsby, Kenney and P. Sullivan; by request of Housing Finance Commission.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">Increases the debt limit of the Housing Finance Commission from \$3 billion to \$5 billion.

Hearing Date: 1/24/06

Staff: Robyn Dupuis (786-7166).

Background:

The Housing Finance Commission was created by the legislature in 1983, however it is not a state agency. It does not receive state funds, nor does it lend state funds. The commission acts as a financial conduit of federal funds and has the authority to issue non-recourse revenue bonds to finance the development of affordable housing, non-profit facilities and beginning farmers and ranchers.

Although the commission's debt is not a debt of the state, the state legislature maintains the authority to set the limit of how much debt the commission may have outstanding at any one time. The commission's original debt limit in 1983 was \$1 billion. It was raised to \$2 billion in 1985 and to \$3 billion in 1999. As of January of this year, the commission's outstanding debt was \$2.7 billion. Once the commission reaches the current \$3 billion dollar limit, it must stop issuing debt to finance additional affordable housing and nonprofit facilities.

Summary of Bill:

The Housing Finance Commission's debt limit is \$5 billion.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.