

SENATE BILL REPORT

SB 5367

As Reported by Senate Committee On:
Economic Development, Trade & Innovation, February 7, 2011

Title: An act relating to authorizing the economic development finance authority to continue issuing bonds.

Brief Description: Authorizing the economic development finance authority to continue issuing bonds.

Sponsors: Senators Kastama, Chase, Holmquist Newbry, Shin and Kilmer.

Brief History:

Committee Activity: Economic Development, Trade & Innovation: 2/02/11, 2/07/11 [DP].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Majority Report: Do pass.

Signed by Senators Kastama, Chair; Chase, Vice Chair; Baumgartner, Ranking Minority Member; Hatfield, Holmquist Newbry, Kilmer and Shin.

Staff: Jack Brummel (786-7428)

Background: The Washington Economic Development Finance Authority (WEDFA) was established in 1989 to help small- and medium-sized businesses meet their capital needs. It is authorized to issue nonrecourse economic development bonds on both a taxable and tax-exempt basis. WEDFA has operated independent of state financial support since 1996.

WEDFA is not to exceed \$1 billion in total outstanding debt.

Summary of Bill: The limitation on WEDFA's outstanding debt is increased to \$1.5 billion.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Staff Summary of Public Testimony: PRO: These bonds don't affect our bond capacity. Private banks back the loans. WEDFA sanctions them as meeting federal tax-free bonding requirements.

Persons Testifying: PRO: Senator Kastama, prime sponsor.