

FINAL BILL REPORT

SB 6247

C 310 L 96

Synopsis as Enacted

Brief Description: Revising economic development activities.

Sponsors: Senators Sheldon, Roach, Long, Quigley, Owen, Hale, Fairley, Swecker and Drew.

Senate Committee on Ways & Means

House Committee on Trade & Economic Development

Background: In 1989 the Legislature created the Washington Economic Development Finance Authority (WEDFA) to help meet the capital needs of small and medium-sized businesses. WEDFA consists of 17 members appointed by the Governor. The membership includes the State Treasurer, the director of the Department of Community, Trade, and Economic Development, the director of the Department of Agriculture, a member from each of the four major legislative caucuses, and 10 citizen members.

WEDFA is authorized to issue nonrecourse revenue bonds to carry out its programs. The bonds may be issued on either a tax-exempt or taxable basis. These bonds are not obligations of the state of Washington. Under current law, WEDFA may not issue bonds for more than five economic development projects per year.

In 1995, WEDFA initiated a program to help businesses finance manufacturing and processing equipment. Through this program, WEDFA will issue small industrial revenue bonds to businesses for the purchase of new equipment. It is suggested that the limit of five projects per year should not apply to the small bond issuances anticipated under this new program.

The Washington State Housing Finance Commission (WSHFC) was created in 1983. The goal of the WSHFC is to stimulate the production of affordable single, multifamily, and special needs housing through the (1) issuance of tax-exempt and taxable nonrecourse revenue bonds; (2) administration of the federal low-income housing tax credit program; and (3) administration of other programs authorized under federal and state law. Under current state law, the WSHFC's total amount of outstanding debt limited may not exceed \$1.5 billion at any time.

Summary: WEDFA's limitation on the financing of five economic development activities per fiscal year is expanded to include an additional ten manufacturing or processing projects where the individual total project cost is less than \$1 million.

WSHFC's statutory outstanding debt limit is raised from \$1.5 billion to \$2 billion.

Votes on Final Passage:

Senate	46	0	
House	94	0	(House amended)
Senate			(Senate refused to concur)

Conference Committee

House	93	5
Senate	44	0

Effective: March 30, 1996 (Section 1)
June 6, 1996