

# HOUSE BILL REPORT

## HB 2417

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**As Reported by House Committee On:**  
Technology & Economic Development

**Title:** An act relating to the Washington economic development finance authority membership.

**Brief Description:** Changing membership provisions of the Washington economic development finance authority.

**Sponsors:** Representatives Haler and Wylie.

**Brief History:**

**Committee Activity:**

Technology & Economic Development: 1/28/14, 2/4/14 [DPS].

**Brief Summary of Substitute Bill**

- Decreases the quorum requirements for meetings of the Washington Economic Development Finance Authority to seven or more members.

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### HOUSE COMMITTEE ON TECHNOLOGY & ECONOMIC DEVELOPMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 19 members: Representatives Morris, Chair; Habib, Vice Chair; Smith, Ranking Minority Member; Short, Assistant Ranking Minority Member; Dahlquist, DeBolt, Fey, Freeman, Hudgins, Kochmar, Magendanz, Morrell, Ryu, Stonier, Tarleton, Vick, Walsh, Wylie and Zeiger.

**Staff:** Kelly Leonard (786-7147).

**Background:**

Washington Economic Development Finance Authority.

The Washington Economic Development Finance Authority (WEDFA) is an independent agency within the executive branch of state government. The Legislature created WEDFA to act as a financial conduit to businesses through the issuance of nonrecourse revenue bonds.

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*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.*

The WEDFA is directed to develop innovative approaches to the problem of unmet capital needs for small and medium-sized businesses in Washington. The WEDFA can issue nonrecourse economic development bonds on both a taxable and tax-exempt basis to support qualifying projects. Qualifying projects may include advance financing to eligible farmers, manufacturing facilities, and processing facilities. The WEDFA cannot assist retail projects. The WEDFA does not receive any governmental financial support, either directly or indirectly for its bonds, nor does it receive any appropriation of state funds for its administration.

#### Governing Board of the WEDFA.

The WEDFA is governed by a 17-member board. The membership is defined by state law as follows:

- Department of Commerce Director;
- Department of Agriculture Director;
- State Treasurer;
- four legislative members, including one member from each caucus in the House of Representatives appointed by the Speaker of the House, and one member from each caucus in the Senate appointed by the President of the Senate; and
- ten public members appointed by the Governor on the basis of their interest or expertise in trade, agriculture, or business finance or jobs creation and development, of which one must be a representative of women-owned businesses, one must be a representative of minority-owned businesses, and three must reside east of the Cascades.

The chair of WEDFA is appointed by the Governor from the public members. The term of the public members, including the chair, is four years from the date of appointment.

All members are voting members. A majority of the membership (nine or more members) constitutes a quorum.

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#### **Summary of Substitute Bill:**

The quorum requirement for WEDFA is decreased to seven or more members.

#### **Substitute Bill Compared to Original Bill:**

Legislative members of WEDFA are restored to voting members. The quorum provisions are modified by stipulating that seven or more members constitute a quorum.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Staff Summary of Public Testimony:**

(In support) This legislation was requested by WEDFA due to difficulties in achieving quorum at meetings. The attendance issues primarily arise from WEDFA's legislative membership. This bill makes the legislative members nonvoting members, and modifies the quorum requirements by specifying that a majority of voting members constitute a quorum. This change solves the quorum issues and helps to streamline the process for WEDFA governance. Legislative members' participation is extremely valuable; however, it will be much easier to schedule meetings on short notice if the quorum issue is resolved.

(Opposed) None.

**Persons Testifying:** (In support) Representative Haler, prime sponsor; and Rodney Wendt, Washington Economic Development Finance Authority.

**Persons Signed In To Testify But Not Testifying:** None.