

SENATE BILL REPORT

SB 6159

As Passed Senate, February 11, 1998

Title: An act relating to eliminating authority for the Washington land bank.

Brief Description: Repealing the authority for the Washington land bank.

Sponsors: Senators Morton and Rasmussen.

Brief History:

Committee Activity: Agriculture & Environment: 1/14/98, 1/20/98 [DP].
Passed Senate, 2/11/98, 42-0.

SENATE COMMITTEE ON AGRICULTURE & ENVIRONMENT

Majority Report: Do pass.

Signed by Senators Morton, Chair; Swecker, Vice Chair; Fraser, McAuliffe, Newhouse, Oke and Rasmussen.

Staff: Bob Lee (786-7404)

Background: During the early 1980s, there was a significant downturn in the agricultural economy on a nationwide basis. Major banks and the federal farm credit system were incurring losses on farm loans due to the inability of operators to make payments. Due to a high rate of losses, traditional farm credit institutions were reluctant to provide loans to farmers except those with a solid financial picture. The federal farm credit system was incurring losses and was in the process of restructuring.

Due to concerns about availability of sufficient farm credit, efforts were made to establish a State Land Bank that was patterned after the Federal Land Bank. In 1986, HB 1899 was passed, authorizing the creation of a State Land Bank. Debts and obligations of the land bank were not debts or obligations of the state of Washington.

Because there was no available source of capital funds from which to make loans, a State Land Bank was not established. The current statute and current regulations promulgated by the Department of Financial Management have not been actively used since enactment.

Summary of Bill: The statute providing for authority for the establishment of a State Land Bank is repealed.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: None.

Testimony Against: None.

Testified: No one.