
SUBSTITUTE HOUSE BILL 1833

State of Washington

55th Legislature

1997 Regular Session

By House Committee on Capital Budget (originally sponsored by Representatives Van Luven, Sheldon, Dunn and Kessler; by request of Department of Community, Trade, and Economic Development)

Read first time 3/10/97.

1 AN ACT Relating to existing economic development revolving loan
2 funds in distressed areas; and amending RCW 43.168.120 and 43.168.110.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 43.168.120 and 1987 c 461 s 6 are each amended to read
5 as follows:

6 (1) The committee shall develop guidelines for development loan
7 funds to be used to fund existing economic development revolving loan
8 funds. Consideration shall be given to the selection process for
9 grantees, loan quality criteria, legal and regulatory issues, and ways
10 to minimize duplication between development loan funds and local
11 economic development revolving loan funds.

12 ~~(2) ((If it appears that all of the funds appropriated to the~~
13 ~~development loan fund for a biennium will not be fully granted to local~~
14 ~~governments within that biennium, the committee may make available up~~
15 ~~to twenty percent of the eighty percent of the funds available to~~
16 ~~projects in distressed areas under RCW 43.168.050(9) for grants to~~
17 ~~local governments to assist existing economic development revolving~~
18 ~~loan funds in distressed areas. The grants to local governments shall~~
19 ~~be utilized to make loans to businesses that meet the specifications~~

1 ~~for loans under this chapter. The local governments shall, to the~~
2 ~~extent permitted under federal law, agree to convey to the development~~
3 ~~loan fund the principal and interest payments from existing loans that~~
4 ~~the local governments have made through their revolving loan funds.~~
5 ~~Under circumstances where the federal law does not permit the committee~~
6 ~~to require such transfer, the committee shall give priority to~~
7 ~~applications where the applicants on their own volition make~~
8 ~~commitments to provide for the transfer.))~~ The committee may make
9 loans or grants from the development loan fund to local governments to
10 recapitalize existing economic development revolving loan funds in
11 distressed areas.

12 **Sec. 2.** RCW 43.168.110 and 1992 c 235 s 11 are each amended to
13 read as follows:

14 There is established the Washington state development loan fund
15 which shall be an account in the state treasury. All loan payments of
16 principal and interest which are transferred under RCW 43.168.050 shall
17 be deposited into the account. Moneys in the account may be spent only
18 after legislative appropriation for loans or grants under this chapter.
19 Any expenditures of these moneys shall conform to federal law.

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