
**Economic Development,
Agriculture & Trade Committee**

HB 1428

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

Sponsors: Representatives Condotta, Pettigrew, Dunn, Linville and Chase.

Brief Summary of Bill

- Increases the outstanding debt limit of the Washington Economic Development Finance Authority (WEDFA) from \$750 million to \$1 billion.
- Authorizes WEDFA to continue to issue bonds after June 30, 2006.

Hearing Date: 2/2/05

Staff: Tracey Taylor (786-7196).

Background:

The WEDFA is an independent agency within the executive branch of state government. The Legislature created WEDFA to act as a "financial conduit that, without using state funds or lending the credit of the state or local governments," issues nonrecourse revenue bonds, and participates in federal, state, and local economic development programs. WEDFA is directed to develop innovative approaches to the problem of unmet capital needs for small and medium-sized businesses in Washington. 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. WEDFA cannot assist commercial or retail projects.

WEDFA does not receive any governmental financial support, either direct or indirect for its bonds, nor does it receive any appropriation of state funds for its administration. Prohibited by statute from receiving any appropriation, WEDFA depends on fee income derived from its bond issuance program to pay all its staffing and operational expenses.

Summary of Bill:

WEDFA's outstanding debt limit is increased from \$750 million to \$1 billion. In addition, the restriction on issuing bonds after June 30, 2006, is removed.

Appropriation: None.

Fiscal Note: Available.

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