

SENATE BILL REPORT

HB 1428

As Reported By Senate Committee On:
International Trade & Economic Development, March 29, 2005
Ways & Means, April 4, 2005

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

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

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

Brief History: Passed House: 3/09/05, 96-0.

Committee Activity: International Trade & Economic Development: 3/22/05, 3/29/05 [DP-WM].

Ways & Means: 4/1/05, 4/4/05 [DP].

SENATE COMMITTEE ON INTERNATIONAL TRADE & ECONOMIC DEVELOPMENT

Majority Report: Do pass and be referred to Committee on Ways and Means.

Signed by Senators Shin, Chair; Sheldon, Vice Chair; Pflug, Ranking Minority Member; Doumit, Eide, and Roach.

Staff: Jack Brummel (786-7428)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Doumit, Vice Chair; Zarelli, Ranking Minority Member; Brandland, Kohl-Welles, Parlette, Pflug, Pridemore, Regala, Roach, Rockefeller, Schoesler and Thibaudeau.

Staff: Kirstan Arestad (786-7708)

Background: The Washington Economic Development Finance Authority (WEDFA) was established in 1989 to help small and medium-sized businesses meet their capital needs. It is authorized to issue nonrecourse economic development bonds on both a taxable and tax-exempt basis. WEDFA has operated independent of state financial support since 1996.

WEDFA is not to exceed \$750 million in total outstanding debt, and is expected to reach this limitation prior to June 30, 2006, when its authority to issue bonds expires.

Summary of Bill: The limitation on WEDFA's outstanding debt is increased to \$1 billion. The restriction on issuing bonds after June, 30, 2006 is removed.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Testimony For (International Trade & Economic Development): This bill will allow the continued operation of WEDFA.

Testimony Against (International Trade & Economic Development): None.

Who Testified: (International Trade & Economic Development) PRO: Representative Condotta, prime sponsor; Jonathan Hayes, WEDFA.

Testimony For (Ways & Means): The Washington Economic Development Finance Authority issues bonds in support of qualifying projects. Projects are not funded with general fund monies. The Authority is prohibited by statute from receiving support from the general fund. There is zero cost to the state and taxpayers.

Testimony Against (Ways & Means): None.

Who Testified (Ways & Means): PRO: Jonathon Hayes, Washington Economic Development Finance Authority.