

SENATE BILL REPORT

SB 5180

As Passed Senate, February 23, 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: Senators Kastama, Roach, Sheldon and Shin.

Brief History:

Committee Activity: International Trade & Economic Development: 1/18/05, 1/27/05 [DP].
Passed Senate: 2/23/05, 45-0.

SENATE COMMITTEE ON INTERNATIONAL TRADE & ECONOMIC DEVELOPMENT

Majority Report: Do pass.

Signed by Senators Shin, Chair; Doumit, Eide, Pflug and Roach.

Staff: Jack Brummel (786-7428)

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: Not requested.

Committee/Commission/Task Force Created: No.

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

Testimony For: WEDFA is beneficial to businesses in Washington, making them competitive. The bonds WEDFA issues has no effect on the state's bond rating and do not effect state finances. Without action on this bill, the pipeline of applications would start to dry up and the program would have to stop.

Testimony Against: None.

Who Testified: PRO: Senator Kastama; Jonathan Hayes, WEDFA.