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HOUSE BILL 2836

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State of Washington

52nd Legislature

1992 Regular Session

By Representatives Rasmussen, Forner, Cantwell, Ludwig, Sheldon,  
Wineberry, Paris and Bowman

Read first time 01/29/92. Referred to Committee on Trade & Economic  
Development.

1 AN ACT Relating to the economic development finance authority;  
2 amending RCW 43.163.070; and adding a new section to chapter 43.163  
3 RCW.

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

5 **Sec. 1.** RCW 43.163.070 and 1990 c 53 s 4 are each amended to read  
6 as follows:

7 The authority may use any funds (~~legally available to it for any~~  
8 ~~purpose specifically authorized by this chapter, or~~), including but  
9 not limited to funds derived from the federal government, for  
10 (~~otherwise~~) improving economic development in this state by:

11 (1) Assisting businesses and farm enterprises that do not have  
12 access to capital at terms and rates comparable to large corporations  
13 due to the location of the business, the size of the business, the lack  
14 of financial expertise(~~or~~);

1       (2) The issuance of taxable nonrecourse revenue bonds for any  
2 lawful purpose; and

3       (3) Any other appropriate ((reasons:—PROVIDED, That no)) means as  
4 determined by the authority. However, the authority may not use funds  
5 of the state ((shall be used)) for such purposes.

6       NEW SECTION. Sec. 2. A new section is added to chapter 43.163 RCW  
7 to read as follows:

8       (1) The authority may receive applications for financing to  
9 implement individual transactions, or to develop a program or programs,  
10 or both, under which the authority:

11       (a) Issues nonrecourse revenue bonds the interest on which is not  
12 excluded from gross income for federal income tax purposes; and

13       (b) Lends the proceeds of the bonds to public or private persons,  
14 firms, or entities, or to eligible banking organizations for loan to  
15 public or private or private persons, firms, or entities.

16       (2) In financing individual transactions or the development and  
17 conduct of a program of financing, or both, the authority shall  
18 determine:

19       (a) That such individual transaction or program or programs  
20 furthers the general plan of economic development objectives prepared  
21 pursuant to RCW 43.163.090; and

22       (b) That loans are made to persons, firms, or entities whose  
23 business activity is reasonably expected to assist in the fulfillment  
24 of a state purpose or to provide economic growth or economic stability  
25 by:

26       (i) Providing employment or security against loss of employment  
27 within the state; or

28       (ii) Increasing the property, excise, or, if applicable, income tax  
29 base of such person, firm, or entity.

1           (3) The authority may make loans to public bodies from the proceeds  
2 of bonds the interest on which is not excluded from gross income for  
3 federal income tax purposes to assist said public bodies in carrying  
4 out their corporate purposes.