
SENATE BILL 6395

State of Washington

53rd Legislature

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By Senators Skratek, Bluechel, Williams, Erwin, M. Rasmussen and Snyder; by request of Department of Trade and Economic Development

Read first time 01/21/94. Referred to Committee on Trade, Technology & Economic Development.

1 AN ACT Relating to the Washington economic development finance
2 authority; amending RCW 43.163.010; adding a new section to chapter
3 43.163 RCW; and declaring an emergency.

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

5 **Sec. 1.** RCW 43.163.010 and 1989 c 279 s 2 are each amended to read
6 as follows:

7 As used in this chapter, the following words and terms have the
8 following meanings, unless the context requires otherwise:

9 (1) "Authority" means the Washington economic development finance
10 authority created under RCW 43.163.020 or any board, body, commission,
11 department or officer succeeding to the principal functions of the
12 authority or to whom the powers conferred upon the authority shall be
13 given by law;

14 (2) "Bonds" means any bonds, notes, debentures, interim
15 certificates, conditional sales or lease financing agreements, lines of
16 credit, forward purchase agreements, investment agreements, and other
17 banking or financial arrangements, guaranties, or other obligations
18 issued by or entered into by the authority. Such bonds may be issued
19 on either a tax-exempt or taxable basis;

1 (3) "Borrower" means one or more public or private persons or
2 entities acting as lessee, purchaser, mortgagor, or borrower who has
3 obtained or is seeking to obtain financing either from the authority or
4 from an eligible banking organization that has obtained or is seeking
5 to obtain funds from the authority to finance a project. A borrower
6 may include a party who transfers the right of use and occupancy to
7 another party by lease, sublease or otherwise, or a party who is
8 seeking or has obtained a financial guaranty from the authority;

9 (4) "Eligible banking organization" means any organization subject
10 to regulation by the (~~state supervisor of banking or the state~~
11 ~~supervisor of savings and loans~~) director of the department of
12 financial institutions, any national bank, federal savings and loan
13 association, and federal credit union located within this state;

14 (5) "Eligible export transaction" means any preexport or export
15 activity by a person or entity located in the state of Washington
16 involving a sale for export and product sale which, in the judgment of
17 the authority: (a) Will create or maintain employment in the state of
18 Washington, (b) will obtain a material percent of its value from
19 manufactured goods or services made, processed or occurring in
20 Washington, and (c) could not otherwise obtain financing on reasonable
21 terms from an eligible banking organization;

22 (6) "Eligible farmer" means any person who is a resident of the
23 state of Washington and whose specific acreage qualifying for receipts
24 from the federal department of agriculture under its conservation
25 reserve program is within the state of Washington;

26 (7) "Financing document" means an instrument executed by the
27 authority and one or more persons or entities pertaining to the
28 issuance of or security for bonds, or the application of the proceeds
29 of bonds or other funds of, or payable to, the authority. A financing
30 document may include, but need not be limited to, a lease, installment
31 sale agreement, conditional sale agreement, mortgage, loan agreement,
32 trust agreement or indenture, security agreement, letter or line of
33 credit, reimbursement agreement, insurance policy, guaranty agreement,
34 or currency or interest rate swap agreement. A financing document also
35 may be an agreement between the authority and an eligible banking
36 organization which has agreed to make a loan to a borrower;

37 (8) "Plan" means the general plan of economic development finance
38 objectives developed and adopted by the authority, and updated from
39 time to time, as required under RCW 43.163.090.

1 (9) "Economic development facilities" means manufacturing,
2 processing, research, production, assembly, tooling, warehousing,
3 retail, commercial, lodging, tourism, transportation, parking, public
4 broadcasting, pollution control, solid waste disposal, energy
5 generating, conservation and transmission, and sports facilities and
6 industrial parks.

7 (10) "Project costs" means costs of:

8 (a) Acquisition, lease, construction, reconstruction, remodeling,
9 refurbishing, rehabilitation, extension, and enlargement of land,
10 rights to land, buildings, structures, docks, wharves, fixtures,
11 machinery, equipment, excavations, paving, landscaping, utilities,
12 approaches, roadways and parking, handling and storage areas, and
13 similar ancillary facilities, and any other real or personal property
14 included in an economic development facility;

15 (b) Architectural, engineering, consulting, accounting, and legal
16 costs related directly to the development, financing, acquisition,
17 lease, construction, reconstruction, remodeling, refurbishing,
18 rehabilitation, extension, and enlargement of an economic development
19 facility, including costs of studies assessing the feasibility of an
20 economic development facility;

21 (c) Finance costs, including the costs of credit enhancement and
22 discounts, if any, the costs of issuing revenue bonds, and costs
23 incurred in carrying out any financing document;

24 (d) Start-up costs, working capital, capitalized research and
25 development costs, capitalized interest during construction and during
26 the eighteen months after estimated completion of construction, and
27 capitalized debt service or repair and replacement or other appropriate
28 reserves;

29 (e) The refunding of any outstanding obligations incurred for any
30 of the costs outlined in this subsection; and

31 (f) Other costs incidental to any of the costs listed in this
32 section.

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

35 For the purpose of facilitating economic development in the state
36 of Washington and encouraging the employment of Washington workers at
37 meaningful wages, the authority may develop and conduct a program or

1 programs to provide nonrecourse revenue bond financing for the project
2 costs of economic development facilities.

3 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
4 preservation of the public peace, health, or safety, or support of the
5 state government and its existing public institutions, and shall take
6 effect immediately.

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