
SUBSTITUTE SENATE BILL 5220

State of Washington

53rd Legislature

1993 Regular Session

By Senate Committee on Trade, Technology & Economic Development
(originally sponsored by Senators Skratek, Erwin, Bluechel, Sheldon, M.
Rasmussen, Deccio and Winsley)

Read first time 02/19/93.

1 AN ACT Relating to funds for loans to small businesses in certain
2 economically distressed areas; amending RCW 43.85.230 and 43.86A.030;
3 and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that many communities
6 throughout the state are experiencing economic stagnation or decline.
7 The unemployment and underemployment in these distressed areas threaten
8 the safety, health, and welfare of residents of these areas, decreasing
9 the value of private investment and jeopardizing the sources of public
10 revenue. The revitalization of distressed areas requires the
11 development of new business ventures and the stimulation of private
12 investment. It is the intent of the legislature to provide capital to
13 promote economic development and job creation in distressed areas by
14 authorizing the state treasurer to operate a program which links state
15 deposits to business loans by financial institutions.

16 **Sec. 2.** RCW 43.85.230 and 1984 c 177 s 20 are each amended to read
17 as follows:

1 The state treasurer may deposit moneys not required to meet current
2 demands upon a term deposit basis not to exceed (~~one year~~) five years
3 at such interest rates and upon such conditions as to withdrawals of
4 such moneys as may be agreed upon between the state treasurer and any
5 qualified public depository.

6 **Sec. 3.** RCW 43.86A.030 and 1982 c 74 s 1 are each amended to read
7 as follows:

8 Funds held in public depositories not as demand deposits as
9 provided in RCW 43.86A.020 and 43.86A.030, shall be available for a
10 time certificate of deposit investment program according to the
11 following formula: The state treasurer shall apportion to all
12 participating depositories an amount equal to five percent of the three
13 year average mean of general state revenues as certified in accordance
14 with Article VIII, section 1(b) of the state Constitution, or fifty
15 percent of the total surplus treasury investment availability,
16 whichever is less. Within thirty days after certification, those funds
17 determined to be available according to this formula for the time
18 certificate of deposit investment program shall be deposited in
19 qualified public depositories. These deposits shall be allocated among
20 the participating depositories on a basis to be determined by the state
21 treasurer. Fifty percent of all funds available for the time
22 certificate of deposit program shall be available for deposit in
23 qualified public depositories that lend money in economically
24 distressed areas as defined in RCW 43.165.010 for the following:

25 (1) Small businesses as defined in RCW 43.31.025; or

26 (2) Residential loans affordable to low and moderate income persons
27 as determined under RCW 43.180.020(5).

28 The amounts made available to these public depositories shall be equal
29 to the amounts of outstanding loans they have under subsections (1) and
30 (2) of this section. The formula so devised shall be a matter of
31 public record giving consideration to, but not limited to deposits,
32 assets, loans, capital structure, investments or some combination of
33 these factors: PROVIDED, That, if in the judgment of the state
34 treasurer the amount of allocation for certificates of deposit as
35 determined by this section will impair the cash flow needs of the state
36 treasury, the state treasurer may adjust the amount of the allocation
37 accordingly.

1 NEW SECTION. **Sec. 4.** If any provision of this act or its
2 application to any person or circumstance is held invalid, the
3 remainder of the act or the application of the provision to other
4 persons or circumstances is not affected.

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