
HOUSE BILL 2408

State of Washington

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2000 Regular Session

By Representatives Veloria, Dunn, Scott, Stensen, Keiser, Kenney, Lovick, Cooper, Haigh, Lantz, Santos, Regala, Edmonds, Ogden and McIntire

Read first time 01/12/2000. Referred to Committee on Economic Development, Housing & Trade.

1 AN ACT Relating to minority and women's business enterprises;
2 amending RCW 43.86A.030, 43.86A.060, and 43.63A.690; adding a new
3 section to chapter 39.19 RCW; and repealing RCW 43.131.381 and
4 43.131.382.

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

6 **Sec. 1.** RCW 43.86A.030 and 1993 c 512 s 33 are each amended to
7 read as follows:

8 (1) 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

1 the participating depositaries on a basis to be determined by the state
2 treasurer.

3 (2) The state treasurer may use up to (~~fifty~~) sixty million
4 dollars per year of all funds available under this section for the
5 purposes of RCW 43.86A.060. The amounts made available to these public
6 depositaries shall be equal to the amounts of outstanding loans made
7 under RCW 43.86A.060.

8 (3) The formula so devised shall be a matter of public record
9 giving consideration to, but not limited to deposits, assets, loans,
10 capital structure, investments or some combination of these factors.
11 However, if in the judgment of the state treasurer the amount of
12 allocation for certificates of deposit as determined by this section
13 will impair the cash flow needs of the state treasury, the state
14 treasurer may adjust the amount of the allocation accordingly.

15 **Sec. 2.** RCW 43.86A.060 and 1993 c 512 s 30 are each amended to
16 read as follows:

17 (1) The state treasurer shall establish a linked deposit program
18 for investment of deposits in qualified public depositaries. As a
19 condition of participating in the program, qualified public
20 depositaries must make qualifying loans as provided in this section.
21 The state treasurer may purchase a certificate of deposit that is equal
22 to the amount of the qualifying loan made by the qualified public
23 depositary or may purchase a certificate of deposit that is equal to
24 the aggregate amount of two or more qualifying loans made by one or
25 more qualified public depositaries.

26 (2) Qualifying loans made under this section are those (~~that~~):

27 (a) (~~Are loans that have~~) Having terms that do not exceed ten
28 years;

29 (b) Where the amount of the loan to the minority or women's
30 business enterprise does not exceed one million dollars;

31 (~~Are~~) (c) Made to a minority or women's business enterprise that
32 has received state certification under chapter 39.19 RCW;

33 (~~(c) Are made to minority or women's business enterprises that are~~
34 ~~considered a small business as defined in RCW 43.31.025;~~)

35 (d) (~~Are made~~) Where the interest rate on the loan to the
36 minority or women's business enterprise does not exceed an interest
37 rate that is two hundred basis points below the (~~interest rate the~~)

1 qualified public (~~depository would charge for a loan for a similar~~
2 ~~purpose and a similar term~~) depository's prime interest rate; and

3 (e) (~~Are made~~) Where the points or fees charged at loan closing
4 do not exceed one percent of the loan amount.

5 (3) In setting interest rates of time certificate of deposits, the
6 state treasurer shall offer rates so that a two hundred basis point
7 preference will be given to the qualified public depository.

8 (4) Upon notification by the state treasurer that a minority or
9 women's business enterprise is no longer certified under chapter 39.19
10 RCW, the qualified public depository shall reduce the amount of
11 qualifying loans by the outstanding balance of the loan made under this
12 section to the minority or women's business enterprise.

13 (5) As used in this section, "prime interest rate" means the
14 interest rate that a qualified public depository charges to its lowest
15 credit risk commercial customer.

16 NEW SECTION. Sec. 3. A new section is added to chapter 39.19 RCW
17 to read as follows:

18 (1) The office shall, in consultation with the state treasurer and
19 the department of community, trade, and economic development, compile
20 information on minority and women's business enterprises that have
21 requested financial assistance through a qualified public depository
22 under the provisions of RCW 43.86A.060. The information shall include,
23 but is not limited to:

24 (a) Name of the qualified public depository;

25 (b) Geographic location of the minority or women's business
26 enterprise;

27 (c) Name of the minority or women's business enterprise;

28 (d) Date of last certification by the office and certification
29 number;

30 (e) Type of business;

31 (f) Race and ownership status of the minority or women's business
32 enterprise;

33 (g) Amount and term of the loan to the minority or women's business
34 enterprise; and

35 (h) Other information the office deems necessary for the
36 implementation of this section.

37 (2) The office shall notify the state treasurer of minority or
38 women's business enterprises that are no longer certified under the

1 provisions of this chapter. The written notification shall contain
2 information regarding the reason for the decertification and
3 information on financing provided to the minority or women's business
4 enterprise under RCW 43.86A.060.

5 **Sec. 4.** RCW 43.63A.690 and 1993 c 512 s 31 are each amended to
6 read as follows:

7 (1) The department shall provide technical assistance and loan
8 packaging services that enable minority and women-owned business
9 enterprises to obtain financing under the linked deposit program
10 created under RCW 43.86A.060.

11 (2) The department shall, in consultation with the state treasurer
12 and office of minority and women's business enterprise, monitor the
13 performance of loans made to minority and women-owned business
14 enterprises under RCW 43.86A.060.

15 (3) The department, in consultation with the office of minority and
16 women's business enterprise, shall develop indicators to measure the
17 performance of the linked deposit program in the areas of job creation
18 or retention and providing access to capital to minority or women's
19 business enterprises.

20 NEW SECTION. **Sec. 5.** The following acts or parts of acts are each
21 repealed:

22 (1) RCW 43.131.381 (Linked deposit program--Termination) and 1994
23 c 126 s 2 & 1993 c 512 s 35; and

24 (2) RCW 43.131.382 (Linked deposit program--Repeal) and 1994 c 126
25 s 3 & 1993 c 512 s 36.

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