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SENATE BILL 6388

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State of Washington 57th Legislature

2002 Regular Session

By Senators Prentice, Franklin, Regala, Kline, Keiser and Gardner; by request of Department of Trade and Economic Development

Read first time 01/16/2002. Referred to Committee on Labor, Commerce & Financial Institutions.

1 AN ACT Relating to the linked deposit program; amending RCW  
2 43.86A.060 and 43.63A.690; adding a new section to chapter 39.19 RCW;  
3 and repealing RCW 43.131.381 and 43.131.382.

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

5 **Sec. 1.** RCW 43.86A.060 and 1993 c 512 s 30 are each amended to  
6 read as follows:

7 (1) The state treasurer shall establish a linked deposit program  
8 for investment of deposits in qualified public depositories. As a  
9 condition of participating in the program, qualified public  
10 depositories must make qualifying loans as provided in this section.  
11 The state treasurer may purchase a certificate of deposit that is equal  
12 to the amount of the qualifying loan made by the qualified public  
13 depository or may purchase a certificate of deposit that is equal to  
14 the aggregate amount of two or more qualifying loans made by one or  
15 more qualified public depositories.

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

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

1 (b) That are made to a minority or women's business enterprise that  
2 has received state certification under chapter 39.19 RCW;

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

5 ~~(d) Are made))~~ Where the interest rate on the loan to the minority  
6 or women's business enterprise does not exceed ((an interest rate that  
7 is two hundred basis points below the interest rate)) the qualified  
8 public ((depository would charge for a loan for a similar purpose and  
9 a similar term)) depository's prime interest rate; and

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

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

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

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

23 NEW SECTION. Sec. 2. A new section is added to chapter 39.19 RCW  
24 to read as follows:

25 (1) The office shall, in consultation with the state treasurer and  
26 the department of community, trade, and economic development, compile  
27 information on minority and women's business enterprises that have  
28 received financial assistance through a qualified public depository  
29 under the provisions of RCW 43.86A.060. The information shall include,  
30 but is not limited to:

31 (a) Name of the qualified public depository;

32 (b) Geographic location of the minority or women's business  
33 enterprise;

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

35 (d) Date of last certification by the office and certification  
36 number;

37 (e) Type of business;

1 (f) Amount and term of the loan to the minority or women's business  
2 enterprise; and

3 (g) Other information the office deems necessary for the  
4 implementation of this section.

5 (2) The office shall notify the state treasurer of minority or  
6 women's business enterprises that are no longer certified under the  
7 provisions of this chapter. The written notification shall contain  
8 information regarding the reason for the decertification and  
9 information on financing provided to the minority or women's business  
10 enterprise under RCW 43.86A.060.

11 **Sec. 3.** RCW 43.63A.690 and 1993 c 512 s 31 are each amended to  
12 read as follows:

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

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

21 (3) The department, in consultation with the office of minority and  
22 women's business enterprise, shall develop indicators to measure the  
23 performance of the linked deposit program in the areas of job creation  
24 or retention and providing access to capital to minority or women's  
25 business enterprises.

26 NEW SECTION. **Sec. 4.** The following acts or parts of acts are each  
27 repealed:

28 (1) RCW 43.131.381 (Linked deposit program--Termination) and 2001  
29 c 316 s 1, 1994 c 126 s 2, & 1993 c 512 s 35; and

30 (2) RCW 43.131.382 (Linked deposit program--Repeal) and 2001 c 316  
31 s 2, 1994 c 126 s 3, & 1993 c 512 s 36.

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