

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2456

Chapter 305, Laws of 2002

57th Legislature
2002 Regular Session

LINKED DEPOSIT PROGRAM--MINORITY AND WOMEN'S BUSINESSES

EFFECTIVE DATE: 6/13/02

Passed by the House March 12, 2002
Yeas 97 Nays 0

FRANK CHOPP
Speaker of the House of Representatives

Passed by the Senate March 7, 2002
Yeas 36 Nays 12

BRAD OWEN
President of the Senate

Approved April 2, 2002

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

I, Cynthia Zehnder, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2456** as passed by the House of Representatives and the Senate on the dates hereon set forth.

CYNTHIA ZEHNDER

Chief Clerk

FILED

April 2, 2002 - 10:27 a.m.

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2456

AS AMENDED BY THE SENATE

Passed Legislature - 2002 Regular Session

State of Washington 57th Legislature 2002 Regular Session

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Kessler, Hankins, Cooper, Chase, Conway, Jackley, Veloria, Ogden, Kenney, McDermott and McIntire; by request of Department of Community, Trade, and Economic Development)

Read first time 02/06/2002. Referred to Committee on .

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

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 is
7 two hundred basis points below the interest rate the qualified public
8 depository would charge for a loan for a similar purpose and a similar
9 term; 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 NEW SECTION. Sec. 2. A new section is added to chapter 39.19 RCW
21 to read as follows:

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

28 (a) Name of the qualified public depository;

29 (b) Geographic location of the minority or women's business
30 enterprise;

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

32 (d) Date of last certification by the office and certification
33 number;

34 (e) Type of business;

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

37 (g) Other information the office deems necessary for the
38 implementation of this section.

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

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

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

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

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

22 **Sec. 4.** RCW 43.131.381 and 2001 c 316 s 1 are each amended to read
23 as follows:

24 The linked deposit program shall be terminated on June 30, ~~((2003))~~
25 2008, as provided in RCW 43.131.382.

26 **Sec. 5.** RCW 43.131.382 and 2001 c 316 s 2 are each amended to read
27 as follows:

28 The following acts or parts of acts, as now existing or hereafter
29 amended, are each repealed, effective June 30, ~~((2004))~~ 2009:

- 30 (1) RCW 43.86A.060 and 1993 c 512 s 30;
31 (2) RCW 43.63A.690 and 1993 c 512 s 31; ~~((and))~~
32 (3) RCW 43.86A.070 and 1993 c 512 s 34; and
33 (4) Section 2 of this act.

Passed the House March 12, 2002.

Passed the Senate March 7, 2002.

Approved by the Governor April 2, 2002.

Filed in Office of Secretary of State April 2, 2002.