
ENGROSSED SUBSTITUTE HOUSE BILL 1872

State of Washington

58th Legislature

2004 Regular Session

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Blake, Veloria, Chase, Santos and Hatfield)

READ FIRST TIME 03/04/03.

1 AN ACT Relating to linked deposit loans for assistive technology;
2 amending RCW 43.86A.030; adding a new chapter to Title 43 RCW; and
3 declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that providing
6 access to appropriate assistive technology for children and adults with
7 disabilities, including seniors with age-related conditions such as
8 vision and hearing loss, is a matter of public interest. Access to
9 such technology can play a vital role in achieving high quality of
10 life. Investments in assistive technology also are cost-effective
11 because they reduce the risk of secondary injuries, make it possible
12 for people to live at home rather than in long-term care, and provide
13 a foundation for success in education and employment, thereby reducing
14 the high rates of unemployment and poverty experienced by Washington
15 residents with disabilities.

16 (2) The legislature also finds that current public and private
17 funding sources are inadequate, or not suited, to meet the assistive
18 technology needs of many sectors of the population and that it is
19 necessary for the state to establish a program to create alternative

1 financing arrangements to help individuals with disabilities acquire
2 the assistive technology they need to achieve their potential in
3 education, employment, independent living, transportation, recreation,
4 and community life. Access to such technology can play a vital role in
5 achieving high quality of life.

6 (3) The legislature further finds that many small businesses and
7 nonprofit organizations do not have the financial resources they need
8 to make their places of business and business activities accessible to
9 and usable by clients and employees with disabilities. Many small
10 businesses and nonprofit entities also lack the financing they need to
11 acquire the assistive devices and services that enable them to hire and
12 retain employees with disabilities. Low interest loans and other
13 alternative financing arrangements are needed to help small businesses,
14 nonprofits, and other qualified entities purchase the assistive devices
15 and services and make the program and building access modifications
16 needed to fully include individuals with disabilities.

17 NEW SECTION. **Sec. 2.** The disabilities access linked deposit
18 lending program is created. The program will be administered by the
19 department of community, trade, and economic development. The director
20 shall contract with other public and private entities and undertake all
21 other activities necessary to carry out the purposes of this chapter.

22 NEW SECTION. **Sec. 3.** The definitions in this section apply
23 throughout this chapter unless the context clearly requires otherwise.

24 (1) "Access modifications" means modifications to facilities,
25 programs, and buildings, including residential and nonresidential
26 buildings, to improve access and use by individuals with disabilities.

27 (2) "Assistive technology" means any item, piece of equipment, or
28 device that enables an individual with a disability to improve his or
29 her functional capabilities, independence, or quality of life, and any
30 service that directly assists an individual with a disability in the
31 selection, acquisition, or use of an assistive technology device.

32 (3) "Individual with a disability" means an individual with a
33 physical, mental, or sensory disability within the meaning of chapter
34 49.60 RCW.

35 (4) "Qualifying borrowers" means nonprofit community development

1 financial institutions that provide low interest loans for purchases of
2 assistive technology and access modifications.

3 NEW SECTION. **Sec. 4.** (1) Funds made available under this chapter
4 may be used to make low interest loans to, and equity equivalent
5 investments in, community development financial institutions that
6 provide financing and related services for purchases of assistive
7 technology and access modifications. As used in this chapter,
8 qualifying loans are loans that:

9 (a) Have terms that do not exceed ten years;

10 (b) Are made to qualified borrowers;

11 (c) Are made where the interest rate on the loan to the qualified
12 borrower does not exceed an interest rate that is two hundred basis
13 points below the interest rate the qualified public depository would
14 charge for a loan for a similar purpose and a similar term; and

15 (d) Are made where the points or fees charged at loan closing do
16 not exceed one percent of the loan amount.

17 (2) In setting interest rates of time certificates of deposits, the
18 state treasurer shall offer rates so that a two hundred basis point
19 preference will be given to the qualified public depository. In no
20 case shall the state treasurer give a preference where the effective
21 interest rates on the time certificates of deposits are less than two
22 percent.

23 NEW SECTION. **Sec. 5.** The state treasurer shall establish a linked
24 deposit program for investment of deposits into qualified public
25 depositories. As a condition of participating in the program,
26 qualified public depositories must make qualifying loans as provided in
27 section 4 of this act. The state treasurer may purchase a certificate
28 of deposit that is equal to the amount of the qualifying loan made by
29 the qualified public depository or may purchase a certificate of
30 deposit that is equal to the aggregate amount of two or more qualifying
31 loans made by one or more qualified public depositories.

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

34 (1) Funds held in public depositories not as demand deposits as
35 provided in RCW 43.86A.020 and 43.86A.030, shall be available for a

1 time certificate of deposit investment program according to the
2 following formula: The state treasurer shall apportion to all
3 participating depositaries an amount equal to five percent of the three
4 year average mean of general state revenues as certified in accordance
5 with Article VIII, section 1(b) of the state Constitution, or fifty
6 percent of the total surplus treasury investment availability,
7 whichever is less. Within thirty days after certification, those funds
8 determined to be available according to this formula for the time
9 certificate of deposit investment program shall be deposited in
10 qualified public depositaries. These deposits shall be allocated among
11 the participating depositaries on a basis to be determined by the state
12 treasurer.

13 (2) The state treasurer may use up to fifty million dollars per
14 year of all funds available under this section for the purposes of RCW
15 43.86A.060 and up to an additional two million five hundred thousand
16 dollars per year of all funds available under this section for the
17 purposes of chapter 43.-- RCW (sections 1 through 5 and 7 of this act)
18 above the amount of funds available for the purposes of RCW 43.86A.060.
19 The amounts made available to these public depositaries shall be equal
20 to the amounts of outstanding loans made under RCW 43.86A.060 and
21 chapter 43.-- RCW (sections 1 through 5 and 7 of this act).

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

29 NEW SECTION. Sec. 7. The state and those acting as its agents are
30 not liable in any manner for payment of the principal or interest on
31 qualifying loans made under this chapter. Any delay in payments or
32 defaults on the part of the borrower does not in any manner affect the
33 deposit agreement between the qualified public depositary and the state
34 treasurer.

35 NEW SECTION. Sec. 8. Sections 1 through 5 and 7 of this act
36 constitute a new chapter in Title 43 RCW.

1 NEW SECTION. **Sec. 9.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of the
3 state government and its existing public institutions, and takes effect
4 immediately.

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