

CERTIFICATION OF ENROLLMENT

**ENGROSSED HOUSE BILL 3360**

Chapter 187, Laws of 2008

60th Legislature  
2008 Regular Session

TIME CERTIFICATE OF DEPOSIT INVESTMENT PROGRAM

EFFECTIVE DATE: 06/12/08

Passed by the House March 12, 2008  
Yeas 97 Nays 0

FRANK CHOPP

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**Speaker of the House of Representatives**

Passed by the Senate March 11, 2008  
Yeas 40 Nays 9

BRAD OWEN

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**President of the Senate**

Approved March 27, 2008, 10:44 a.m.

CHRISTINE GREGOIRE

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED HOUSE BILL 3360** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

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**Chief Clerk**

FILED

March 28, 2008

**Secretary of State  
State of Washington**

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ENGROSSED HOUSE BILL 3360

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AS AMENDED BY THE SENATE

Passed Legislature - 2008 Regular Session

State of Washington                      60th Legislature                      2008 Regular Session

By Representatives Hasegawa and Santos

Read first time 02/07/08. Referred to Committee on Finance.

1            AN ACT Relating to the time certificate of deposit investment  
2 program; amending RCW 43.60A.190, 43.86A.030, and 43.86A.060; and  
3 creating a new section.

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

5            **Sec. 1.** RCW 43.60A.190 and 2007 c 11 s 1 are each amended to read  
6 as follows:

7            (1) The department shall:

8            (a) Develop and maintain a current list of veteran-owned  
9 businesses; and

10           (b) Make the list available on the department's public web site.

11           (2) ~~((In order))~~ To qualify as a veteran-owned business, the  
12 business must be at least fifty-one percent owned and controlled by:

13           (a) A veteran as defined in RCW 41.04.007; or

14           (b) An active or reserve member in any branch of the armed forces  
15 of the United States, including the national guard, coast guard, and  
16 armed forces reserves.

17           (3) To participate in the linked deposit program under chapter  
18 43.86A RCW, a veteran-owned business qualified under this section must  
19 be certified by the department as a business:

1       (a) In which the veteran owner possesses and exercises sufficient  
2 expertise specifically in the business's field of operation to make  
3 decisions governing the long-term direction and the day-to-day  
4 operations of the business;

5       (b) That is organized for profit and performing a commercially  
6 useful function; and

7       (c) That meets the criteria for a small business concern as  
8 established under chapter 39.19 RCW.

9       (4) The department shall create a logo for the purpose of  
10 identifying veteran-owned businesses to the public. The department  
11 shall put the logo on an adhesive sticker or decal suitable for display  
12 in a business window and distribute the stickers or decals to veteran-  
13 owned businesses listed with the department.

14       ~~((+4))~~ (5)(a) Businesses may submit an application on a form  
15 prescribed by the department for inclusion on the list or to apply for  
16 certification under this section.

17       (b) The department must notify the state treasurer of veteran-owned  
18 businesses that are no longer certified under this section. The  
19 written notification to the state treasurer must contain information  
20 regarding the reasons for the decertification and information on  
21 financing provided to the veteran-owned business under RCW 43.86A.060.

22       ~~((+5))~~ (6) The department may adopt rules necessary to implement  
23 this section.

24       **Sec. 2.** RCW 43.86A.030 and 2007 c 500 s 1 are each amended to read  
25 as follows:

26       (1) Funds held in public depositaries not as demand deposits as  
27 provided in RCW 43.86A.020 and 43.86A.030, shall be available for a  
28 time certificate of deposit investment program according to the  
29 following formula: The state treasurer shall apportion to all  
30 participating depositaries an amount equal to five percent of the three  
31 year average mean of general state revenues as certified in accordance  
32 with Article VIII, section 1(b) of the state Constitution, or fifty  
33 percent of the total surplus treasury investment availability,  
34 whichever is less. Within thirty days after certification, those funds  
35 determined to be available according to this formula for the time  
36 certificate of deposit investment program shall be deposited in

1 qualified public depositaries. These deposits shall be allocated among  
2 the participating depositaries on a basis to be determined by the state  
3 treasurer.

4 (2) Of all funds available under this section, the state treasurer  
5 may use up to one hundred (~~(fifty)~~) seventy-five million dollars per  
6 year (~~(of all funds available under this section)~~) for the purposes of  
7 RCW 43.86A.060(2)(c)(i) and up to fifteen million dollars per year for  
8 the purposes of RCW 43.86A.060(2)(c)(ii). The amounts made available  
9 to these public depositaries shall be equal to the amounts of  
10 outstanding loans made under RCW 43.86A.060.

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

18 **Sec. 3.** RCW 43.86A.060 and 2007 c 500 s 2 are each amended to read  
19 as follows:

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

29 (2) Qualifying loans made under this section are those:

30 (a) Having terms that do not exceed ten years;

31 (b) Where an individual loan does not exceed one million dollars;

32 (c)(i) That are made to a minority or women's business enterprise  
33 that has received state certification under chapter 39.19 RCW; or

34 (ii) That are made to a veteran-owned business that has received  
35 state certification under RCW 43.60A.190;

36 (d) Where the interest rate on the loan to the minority or women's  
37 business enterprise or veteran-owned business does not exceed an

1 interest rate that is two hundred basis points below the interest rate  
2 the qualified public depository would charge for a loan for a similar  
3 purpose and a similar term, except that, if the preference given by the  
4 state treasurer to the qualified public depository under subsection (3)  
5 of this section is less than two hundred basis points, the qualified  
6 public depository may reduce the preference given on the loan by an  
7 amount that corresponds to the reduction in preference below two  
8 hundred basis points given to the qualified public depository; and

9 (e) Where the points or fees charged at loan closing do not exceed  
10 one percent of the loan amount.

11 (3) In setting interest rates of time certificate of deposits, the  
12 state treasurer shall offer rates so that a two hundred basis point  
13 preference will be given to the qualified public depository, except  
14 that the treasurer shall lower the amount of the preference to ensure  
15 that the effective interest rate on the time certificate of deposit is  
16 not less than two percent.

17 (4) Upon notification by the state treasurer that a minority or  
18 women's business enterprise is no longer certified under chapter 39.19  
19 RCW or that a veteran-owned business is no longer certified under RCW  
20 43.60A.190, the qualified public depository shall reduce the amount of  
21 qualifying loans by the outstanding balance of the loan made under this  
22 section to the minority or women's business enterprise or the veteran-  
23 owned business, as applicable.

24 (5) The office of minority and women's business enterprises has the  
25 authority to adopt rules to:

26 (a) Ensure that when making a qualified loan under the linked  
27 deposit program, businesses that have never received a loan under the  
28 linked deposit program are given first priority;

29 (b) Limit the total principal loan amount that any one business  
30 receives in qualified loans under the linked deposit program over the  
31 lifetime of the businesses;

32 (c) Limit the total principal loan amount that an owner of one or  
33 more businesses receives in qualified loans under the linked deposit  
34 program during the owner's lifetime; and

35 (d) Limit the total amount of any one qualified loan made under the  
36 linked deposit program.

1        NEW SECTION.    **Sec. 4.**    The department of veterans affairs shall  
2    report to the governor and appropriate committees of the legislature by  
3    December 1, 2008, on the progress made in implementing this act.

      Passed by the House March 12, 2008.

      Passed by the Senate March 11, 2008.

      Approved by the Governor March 27, 2008.

      Filed in Office of Secretary of State March 28, 2008.