

EHB 3360 - S COMM AMD  
By Committee on Ways & Means

ADOPTED 03/11/2008

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 43.60A.190 and 2007 c 11 s 1 are each amended to read  
4 as follows:

5 (1) The department shall:

6 (a) Develop and maintain a current list of veteran-owned  
7 businesses; and

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

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

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

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

15 (3) To participate in the linked deposit program under chapter  
16 43.86A RCW, a veteran-owned business qualified under this section must  
17 be certified by the department as a business:

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

22 (b) That is organized for profit and performing a commercially  
23 useful function; and

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

26 (4) The department shall create a logo for the purpose of  
27 identifying veteran-owned businesses to the public. The department  
28 shall put the logo on an adhesive sticker or decal suitable for display  
29 in a business window and distribute the stickers or decals to veteran-  
30 owned businesses listed with the department.

1        ~~((4))~~ (5)(a) Businesses may submit an application on a form  
2 prescribed by the department for inclusion on the list or to apply for  
3 certification under this section.

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

9        ~~((5))~~ (6) The department may adopt rules necessary to implement  
10 this section.

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

13        (1) Funds held in public depositories not as demand deposits as  
14 provided in RCW 43.86A.020 and 43.86A.030, shall be available for a  
15 time certificate of deposit investment program according to the  
16 following formula: The state treasurer shall apportion to all  
17 participating depositories an amount equal to five percent of the three  
18 year average mean of general state revenues as certified in accordance  
19 with Article VIII, section 1(b) of the state Constitution, or fifty  
20 percent of the total surplus treasury investment availability,  
21 whichever is less. Within thirty days after certification, those funds  
22 determined to be available according to this formula for the time  
23 certificate of deposit investment program shall be deposited in  
24 qualified public depositories. These deposits shall be allocated among  
25 the participating depositories on a basis to be determined by the state  
26 treasurer.

27        (2) Of all funds available under this section, the state treasurer  
28 may use up to one hundred ~~((fifty))~~ seventy-five million dollars per  
29 year ~~((of all funds available under this section))~~ for the purposes of  
30 RCW 43.86A.060(2)(c)(i) and up to fifteen million dollars per year for  
31 the purposes of RCW 43.86A.060(2)(c)(ii). The amounts made available  
32 to these public depositories shall be equal to the amounts of  
33 outstanding loans made under RCW 43.86A.060.

34        (3) The formula so devised shall be a matter of public record  
35 giving consideration to, but not limited to deposits, assets, loans,  
36 capital structure, investments or some combination of these factors.  
37 However, if in the judgment of the state treasurer the amount of

1 allocation for certificates of deposit as determined by this section  
2 will impair the cash flow needs of the state treasury, the state  
3 treasurer may adjust the amount of the allocation accordingly.

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

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

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

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

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

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

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

22 (d) Where the interest rate on the loan to the minority or women's  
23 business enterprise or veteran-owned business does not exceed an  
24 interest rate that is two hundred basis points below the interest rate  
25 the qualified public depository would charge for a loan for a similar  
26 purpose and a similar term, except that, if the preference given by the  
27 state treasurer to the qualified public depository under subsection (3)  
28 of this section is less than two hundred basis points, the qualified  
29 public depository may reduce the preference given on the loan by an  
30 amount that corresponds to the reduction in preference below two  
31 hundred basis points given to the qualified public depository; and

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

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

1 that the treasurer shall lower the amount of the preference to ensure  
2 that the effective interest rate on the time certificate of deposit is  
3 not less than two percent.

4 (4) Upon notification by the state treasurer that a minority or  
5 women's business enterprise is no longer certified under chapter 39.19  
6 RCW or that a veteran-owned business is no longer certified under RCW  
7 43.60A.190, the qualified public depository shall reduce the amount of  
8 qualifying loans by the outstanding balance of the loan made under this  
9 section to the minority or women's business enterprise or the veteran-  
10 owned business, as applicable.

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

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

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

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

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

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

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27 On page 1, line 2 of the title, after "program;" strike the  
28 remainder of the title and insert "amending RCW 43.60A.190, 43.86A.030,  
29 and 43.86A.060; and creating a new section."

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