
HOUSE BILL 3116

State of Washington

56th Legislature

2000 Regular Session

By Representatives Radcliff, Carlson, Esser and Dunn

Read first time 02/03/2000. Referred to Committee on Economic Development, Housing & Trade.

1 AN ACT Relating to establishing a linked deposit program for
2 dislocated workers; amending RCW 43.86A.030 and 43.86A.070; and adding
3 a new section to chapter 43.86A RCW.

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

5 **Sec. 1.** RCW 43.86A.030 and 1993 c 512 s 33 are each amended to
6 read as follows:

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

1 the participating depositaries on a basis to be determined by the state
2 treasurer.

3 (2) The state treasurer may use up to fifty million dollars per
4 year of all funds available under this section for the purposes of RCW
5 43.86A.060. The amounts made available to these public depositaries
6 shall be equal to the amounts of outstanding loans made under RCW
7 43.86A.060.

8 (3) In addition to the funds in subsection (2) of this section, the
9 state treasurer may use up to twenty million dollars per year of all
10 funds available under this section for the purposes of section 2 of
11 this act. The amounts made available to these public depositaries
12 shall be equal to the amounts of outstanding loans made under section
13 2 of this act.

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

21 NEW SECTION. Sec. 2. A new section is added to chapter 43.86A RCW
22 to read as follows:

23 (1) In addition to the linked deposit program under RCW 43.86A.060,
24 the state treasurer shall establish a linked deposit program for
25 investment of deposits in qualified public depositaries for dislocated
26 workers. As a condition of participating in the program under this
27 section, qualified public depositaries must make qualifying loans as
28 provided in this section. The state treasurer may purchase a
29 certificate of deposit that is equal to the amount of the qualifying
30 loan made by the qualified public depositary or may purchase a
31 certificate of deposit that is equal to the aggregate amount of two or
32 more qualifying loans made by one or more qualified public
33 depositaries.

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

35 (a) Are loans that have terms that do not exceed ten years;

36 (b) Are made to a dislocated worker as defined under RCW 50.04.075
37 and certified as such by the employment security department;

1 (c) Are loans that do not exceed twenty-two times the qualified
2 individual's insurance weekly benefit amount as determined by the
3 employment security department;

4 (d) Are loans for education or retraining;

5 (e) Are made where the interest rate on the loan to the dislocated
6 worker does not exceed an interest rate that is two hundred basis
7 points below the interest rate the qualified public depository would
8 charge for a loan for a similar purpose and a similar term; and

9 (f) Are made where the points or fees charged at loan closing do
10 not exceed one percent of the loan amount.

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

14 **Sec. 3.** RCW 43.86A.070 and 1993 c 512 s 34 are each amended to
15 read as follows:

16 The state and those acting as its agents are not liable in any
17 manner for payment of the principal or interest on qualifying loans
18 made under RCW 43.86A.060 or section 2 of this act. Any delay in
19 payments or defaults on the part of the borrower does not in any manner
20 affect the deposit agreement between the qualified public depository
21 and the state treasurer.

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