

SHB 2906 - S COMM AMD
By Committee on Ways & Means

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

3 "Sec. 1. RCW 43.86A.030 and 1993 c 512 s 33 are each amended to
4 read as follows:

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

19 (2) The state treasurer may use up to (~~fifty~~) fifty-five million
20 dollars per year of all funds available under this section for the
21 purposes of RCW 43.86A.060. The amounts made available to these public
22 depositories shall be equal to the amounts of outstanding loans made
23 under RCW 43.86A.060.

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

1 **Sec. 2.** RCW 43.86A.060 and 2002 c 305 s 1 are each amended to read
2 as follows:

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

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

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

14 (b) That are made to a minority or women's business enterprise that
15 has received state certification under chapter 39.19 RCW;

16 (c) Where the interest rate on the loan to the minority or women's
17 business enterprise does not exceed an interest rate that is two
18 hundred basis points below the interest rate the qualified public
19 depository would charge for a loan for a similar purpose and a similar
20 term; and

21 (d) Where the points or fees charged at loan closing do not exceed
22 one percent of the loan amount.

23 (3) In setting interest rates of time certificate of deposits, the
24 state treasurer shall offer rates so that a two hundred basis point
25 preference will be given to the qualified public depository. In no
26 case shall the state treasurer give a preference where the effective
27 interest rates on the time certificates of deposit are less than two
28 percent.

29 (4) Upon notification by the state treasurer that a minority or
30 women's business enterprise is no longer certified under chapter 39.19
31 RCW, the qualified public depository shall reduce the amount of
32 qualifying loans by the outstanding balance of the loan made under this
33 section to the minority or women's business enterprise."

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1 On page 1, line 2 of the title, after "loans;" strike the remainder
2 of the title and insert "and amending RCW 43.86A.030 and 43.86A.060."

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