
SUBSTITUTE HOUSE BILL 2497

State of Washington

59th Legislature

2006 Regular Session

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Kilmer, Buri, Hudgins, Skinner, Green, Morrell, Linville, Ormsby, Lantz, Williams, McCoy, Appleton, Moeller, Chase, Conway, P. Sullivan, Haler, Wallace, Sells, Morris, Ericks, Upthegrove and Woods)

READ FIRST TIME 01/30/06.

1 AN ACT Relating to assistance for business owners who are active
2 duty national guard members; amending RCW 38.42.010; and adding a new
3 section to chapter 38.42 RCW.

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

5 **Sec. 1.** RCW 38.42.010 and 2005 c 254 s 1 are each amended to read
6 as follows:

7 The definitions in this section apply throughout this chapter.

8 (1) "Business loan" means a loan or extension of credit granted to
9 a business entity that: (a) Is owned and operated by a service member,
10 in which the service member is either (i) a sole proprietor, or (ii)
11 the owner of at least fifty percent of the entity; and (b) experiences
12 a material reduction in revenue due to the service member's military
13 service.

14 (2) "Dependent" means:

15 (a) The service member's spouse;

16 (b) The service member's minor child; or

17 (c) An individual for whom the service member provided more than
18 one-half of the individual's support for one hundred eighty days
19 immediately preceding an application for relief under this chapter.

1 (~~(2)~~) (3) "Financial institution" means an institution as defined
2 in RCW 30.22.041.

3 (4) "Judgment" does not include temporary orders as issued by a
4 judicial court or administrative tribunal in domestic relations cases
5 under Title 26 RCW, including but not limited to establishment of a
6 temporary child support obligation, creation of a temporary parenting
7 plan, or entry of a temporary protective or restraining order.

8 (~~(3)~~) (5) "Military service" means a service member under a call
9 to active service authorized by the president of the United States or
10 the secretary of defense for a period of more than thirty consecutive
11 days.

12 (~~(4)~~) (6) "National guard" has the meaning in RCW 38.04.010.

13 (~~(5)~~) (7) "Service member" means any resident of Washington state
14 that is a member of the national guard or member of a military reserve
15 component.

16 NEW SECTION. **Sec. 2.** A new section is added to chapter 38.42 RCW
17 to read as follows:

18 (1) Upon the request of a service member with a qualifying business
19 loan, the financial institution must restructure the interest rate of
20 the loan to the equivalent provisions in the federal servicemembers
21 civil relief act (50 U.S.C. App. 501 et seq.). The service member must
22 notify the institution at least five days prior to the beginning of
23 military service and submit official documentation that substantiates
24 their eligibility for the protections of this chapter.

25 (2) This section applies only to loans with an outstanding balance
26 of less than one hundred thousand dollars at the time the service
27 member is called to military service.

28 (3) This section applies only to business loans executed on or
29 after January 1, 2007.

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