

SHB 1512 - H AMD

By Representative Hasegawa

ADOPTED 03/08/2007

1 On page 2, after line 14, insert the following:

2 "Sec. 2. RCW 43.86A.060 and 2005 c 302 s 3 are each amended to
3 read as follows:

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

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

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

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

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

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

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

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

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

12 (5) The office of minority and women's business enterprises has the
13 authority to promulgate, amend, and repeal rules in order to:

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

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

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

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

25 Renumber the remaining sections consecutively, correct any internal
26 references accordingly, and correct the title.

EFFECT: Provides that the office of minority and women's business enterprises has certain rule-making authority to: Ensure priority to businesses that have never received a loan under the program; limit total principal loan amounts received during the lifetime of the business and the lifetime of the business owner; and limit the total amount of any single qualified loan under the program.

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