

**HB 3360 - H AMD 1260**

By Representative Kelley

**ADOPTED 2/18/2008**

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  
4 to read 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  
9 site.

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

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

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

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

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

24 (b) That is organized for profit and performing a  
25 commercially useful function; and

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

28 (4) The department shall create a logo for the purpose of  
29 identifying veteran-owned businesses to the public. The  
30 department shall put the logo on an adhesive sticker or decal

1 suitable for display in a business window and distribute the  
2 stickers or decals to veteran-owned businesses listed with the  
3 department.

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

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

13 ~~((5))~~ (6) The department may adopt rules necessary to  
14 implement this section.

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

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

32 (2)(a) Of all funds available under this section, the state  
33 treasurer may use up to ~~((one hundred fifty))~~ two hundred million  
34 dollars per year ~~((of all funds available under this section))~~  
35 for the purposes of RCW 43.86A.060(2)(c)(i) and up to twenty-five  
36 million dollars per year for the purposes of RCW  
37 43.86A.060(2)(c)(ii). The amounts made available to these public  
38 depositaries shall be equal to the amounts of outstanding loans

1 made under RCW 43.86A.060.

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

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

12 (1) The state treasurer shall establish a linked deposit  
13 program for investment of deposits in qualified public  
14 depositaries. As a condition of participating in the program,  
15 qualified public depositaries must make qualifying loans as  
16 provided in this section. The state treasurer may purchase a  
17 certificate of deposit that is equal to the amount of the  
18 qualifying loan made by the qualified public depositary or may  
19 purchase a certificate of deposit that is equal to the aggregate  
20 amount of two or more qualifying loans made by one or more  
21 qualified public depositaries.

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

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

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

26 (c)(i) That are made to a minority or women's business  
27 enterprise that has received state certification under chapter  
28 39.19 RCW; or

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

31 (d) Where the interest rate on the loan to the minority or  
32 women's business enterprise or veteran-owned business does not  
33 exceed an interest rate that is two hundred basis points below  
34 the interest rate the qualified public depositary would charge  
35 for a loan for a similar purpose and a similar term, except that,  
36 if the preference given by the state treasurer to the qualified  
37 public depositary under subsection (3) of this section is less  
38 than two hundred basis points, the qualified public depositary

1 may reduce the preference given on the loan by an amount that  
2 corresponds to the reduction in preference below two hundred  
3 basis points given to the qualified public depository; and

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

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

13 (4) Upon notification by the state treasurer that a minority  
14 or women's business enterprise is no longer certified under  
15 chapter 39.19 RCW or that a veteran-owned business is no longer  
16 certified under RCW 43.60A.190, the qualified public depository  
17 shall reduce the amount of qualifying loans by the outstanding  
18 balance of the loan made under this section to the minority or  
19 women's business enterprise or the veteran-owned business, as  
20 applicable.

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

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

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

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

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

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

Correct the title.

**EFFECT:** In addition to the \$50 million dollars in the underlying bill for loans to minority or women's businesses, up to an additional \$25 million dollars may be used for loans to veteran-owned businesses. To participate in the Program, a veteran-owned business must be certified by the Department of Veterans Affairs. The DVA must notify the Treasurer if a veteran-owned business is no longer certified under this section. The DVA must report on the progress and implementation of the act to the Governor and to the appropriate committees of the Legislature.