
SUBSTITUTE SENATE BILL 5723

State of Washington

61st Legislature

2009 Regular Session

By Senate Economic Development, Trade & Innovation (originally sponsored by Senators Kastama, Shin, and Swecker)

READ FIRST TIME 02/12/09.

1 AN ACT Relating to providing support for small business assistance;
2 amending RCW 28B.30.530 and 30.60.010; and adding a new section to
3 chapter 28B.30 RCW.

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

5 **Sec. 1.** RCW 28B.30.530 and 1984 c 77 s 1 are each amended to read
6 as follows:

7 (1) The board of regents of Washington State University shall
8 establish the Washington State University small business development
9 center and such satellite offices as the administrator of the center
10 deems appropriate.

11 (2) The center shall provide management and technical assistance
12 including but not limited to training, counseling, and research
13 services to small businesses throughout the state. The center shall
14 work with (~~public and private community development and economic~~
15 ~~assistance agencies and shall work towards the goal of coordinating~~
16 ~~activities with such agencies~~) the Washington economic development
17 commission, the department of community, trade, and economic
18 development, the workforce training and education coordinating board,

1 the employment security department, the higher education coordinating
2 board, and the state board for community and technical colleges to:

3 (a) Integrate small business development centers with other state
4 economic development and workforce development programs;

5 (b) Facilitate the development of interinstitutional
6 entrepreneurial education, training, and assistance programs; and

7 (c) Coordinate services to avoid duplication of services.

8 (3) The administrator of the center may contract with other public
9 or private entities for the provision of specialized services.

10 (4) The small business (~~and~~) development center may accept and
11 disburse federal grants or federal matching funds or other funds or
12 donations from any source when made, granted, or donated to carry out
13 the center's requirements and purposes. The center may use funds from
14 the business assistance account created in section 3 of this act to
15 support satellite offices, increase the assistance, including the
16 number of small business plan workshops and business counselors,
17 available to small and start-up businesses, and develop new assistance
18 programs.

19 **Sec. 2.** RCW 30.60.010 and 2008 c 240 s 1 are each amended to read
20 as follows:

21 (1) In conducting an examination of a bank chartered under Title 30
22 RCW, the director shall investigate and assess the record of
23 performance of the bank in meeting the credit needs of the bank's
24 entire community, including low and moderate-income neighborhoods. The
25 director shall accept, in lieu of an investigation or part of an
26 investigation required by this section, any report or document that the
27 bank is required to prepare or file with one or more federal agencies
28 by the act of Congress entitled the "Community Reinvestment Act of
29 1977" and the regulations promulgated in accordance with that act, to
30 the extent such reports or documents assist the director in making an
31 assessment based upon the factors outlined in subsection (2) of this
32 section.

33 (2) In making an investigation required under subsection (1) of
34 this section, the director shall consider, independent of any federal
35 determination, the following factors in assessing the bank's record of
36 performance:

1 (a) Activities conducted by the institution to ascertain credit
2 needs of its community, including the extent of the institution's
3 efforts to communicate with members of its community regarding the
4 credit services being provided by the institution;

5 (b) The extent of the institution's marketing and special credit
6 related programs to make members of the community aware of the credit
7 services offered by the institution;

8 (c) The extent of participation by the institution's board of
9 directors in formulating the institution's policies and reviewing its
10 performance with respect to the purposes of the Community Reinvestment
11 Act of 1977;

12 (d) Any practices intended to discourage applications for types of
13 credit set forth in the institution's community reinvestment act
14 statement(s);

15 (e) The geographic distribution of the institution's credit
16 extensions, credit applications, and credit denials;

17 (f) Evidence of prohibited discriminatory or other illegal credit
18 practices;

19 (g) The institution's record of opening and closing offices and
20 providing services at offices;

21 (h) The institution's participation, including investments, in
22 local community and microenterprise development projects;

23 (i) The institution's origination of residential mortgage loans,
24 housing rehabilitation loans, home improvement loans, and small
25 business or small farm loans within its community, or the purchase of
26 such loans originated in its community;

27 (j) The institution's participation in governmentally insured,
28 guaranteed, or subsidized loan programs for housing, small businesses,
29 or small farms;

30 (k) The institution's ability to meet various community credit
31 needs based on its financial condition, size, legal impediments, local
32 economic condition, and other factors;

33 (l) The institution's sponsorship of small business development
34 center offices and their counseling, training, and other small business
35 assistance services; and

36 (m) Other factors that, in the judgment of the director, reasonably
37 bear upon the extent to which an institution is helping to meet the
38 credit needs of its entire community.

1 (3) The director shall include as part of the examination report,
2 a summary of the results of the assessment required under subsection
3 (1) of this section and shall assign annually to each bank a numerical
4 community reinvestment rating based on a one through five scoring
5 system. Such numerical scores shall represent performance assessments
6 as follows:

- 7 (a) Excellent performance: 1
- 8 (b) Good performance: 2
- 9 (c) Satisfactory performance: 3
- 10 (d) Inadequate performance: 4
- 11 (e) Poor performance: 5

12 NEW SECTION. **Sec. 3.** A new section is added to chapter 28B.30 RCW
13 to read as follows:

14 The business assistance account is created in the custody of the
15 state treasurer. Expenditures from the account may be used only for
16 the expansion of business assistance services delivered by the small
17 business development center created in RCW 28B.30.530. Only the
18 administrator of the center or the administrator's designee may
19 authorize expenditures from the account. The account is subject to
20 allotment procedures under chapter 43.88 RCW, but an appropriation is
21 not required for expenditures.

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