

SSB 5255 - S AMD 85

By Senator Hasegawa

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

3 "Sec. 1. RCW 43.86A.060 and 2009 c 385 s 3 and 2009 c 384 s 1
4 are each reenacted and amended to read as follows:

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

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

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

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

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

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

21 (iii) That are made to a community development financial
22 institution that is: (A) Certified by the United States department of
23 the treasury pursuant to 12 U.S.C. Sec. 4701 et seq.; and (B) using
24 that loan to make qualifying loans under (c)(i) of this subsection;

25 (d) Where the interest rate on the loan to the minority or
26 women's business enterprise or veteran-owned business does not exceed
27 an interest rate that is two hundred basis points below the interest
28 rate the qualified public depositary would charge for a loan for a
29 similar purpose and a similar term, except that, if the preference
30 given by the state treasurer to the qualified public depositary under
31 subsection (3) of this section is less than two hundred basis points,
32 the qualified public depositary may reduce the preference given on
33 the loan by an amount that corresponds to the reduction in preference

1 below two hundred basis points given to the qualified public
2 depository; (~~and~~)

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

5 (f) Where funds are used for active business pursuits and not for
6 passive investment activities.

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

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

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

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

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

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

31 (d) Limit the total amount of any one qualified loan made under
32 the linked deposit program; (~~and~~)

33 (e) Ensure that loans made by community development financial
34 institutions are qualifying loans under subsection (2)(c)(i) of this
35 section;

36 (f) Ensure that, when making a qualified loan under the linked
37 deposit program, businesses not requesting loans for the purchase or
38 refinancing of real property appraised at a value greater than an
39 amount set by the director are given first priority;

1 (g) Ensure that, when making a qualified loan under the linked
2 deposit program, businesses not requesting loans for improvements to
3 real property, other than tenant improvements, where the total cost
4 of the improvements is greater than an amount set by the director are
5 given first priority; and

6 (h) Develop reporting requirements for businesses receiving
7 linked deposit loans, except that the reporting must not require
8 personnel resources exceeding those allocated to the office of
9 minority and women's business enterprises on the effective date of
10 this section.

11 (6) The director of the office of minority and women's business
12 enterprises shall adopt rules prioritizing loans to minority or
13 women's business enterprises or veteran-owned businesses for
14 applicants that:

15 (a) Are located in an underserved area of the state;

16 (b) Demonstrate an ability to create or maintain at least one job
17 opportunity; and

18 (c) Do not currently have loans with other small business lending
19 agencies.

20 (7) The director of the office of minority and women's business
21 enterprises shall report to the legislature on December 1, 2016, and
22 annually by December 1st thereafter on the linked deposit program and
23 may provide recommendations on additional rule-making authority for
24 the linked deposit program."

SSB 5255 - S AMD 85

By Senator Hasegawa

25 On page 1, line 1 of the title, after "program;" strike the
26 remainder of the title and insert "and reenacting and amending RCW
27 43.86A.060."

EFFECT: Removes the requirement that a business must first demonstrate that a loan will result in the creation of at least five job opportunities.

Requires that a business show that the loan will result in the creation or maintenance of at least one job opportunity over the life of the loan.

Requires that priority be given to funds that are used for active business pursuits and not for passive investment activities.

The OMWBE must create a reporting requirement for businesses receiving linked deposit program loans. The report must not use personnel resources exceeding those already allocated to the OMWBE.

The OMWBE must also report to the Legislature on the Program each December.

--- END ---