

SSB 5167 - S AMD 915

By Senator Hasegawa

ADOPTED 01/22/2020

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 depositories. As a
7 condition of participating in the program, qualified public
8 depositories 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 depository 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 depositories.

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 depository 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 depository under
31 subsection (3) of this section is less than two hundred basis points,
32 the qualified public depository may reduce the preference given on

1 the loan by an amount that corresponds to the reduction in preference
2 below two hundred basis points given to the qualified public
3 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 deposits,
7 the state treasurer shall offer rates so that a two hundred basis
8 point preference will be given to the qualified public depository,
9 except that the treasurer may lower the amount of the preference to
10 ensure that the effective interest rate on the deposit is not less
11 than zero percent.

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

19 (5) A line of credit issued under the linked deposit program that
20 has a zero balance for twelve or more months must be removed from the
21 program.

22 (6) The office of minority and women's business enterprises has
23 the authority to adopt rules to prioritize loans that:

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

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

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

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

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

38 (f) Ensure that when making a qualified loan under the linked
39 deposit program priority is given to loans that:

1 (i) Create jobs in underserved communities that have inadequate
2 access to capital; and
3 (ii) Are for applicants that do not currently have loans with
4 other small business lending agencies."

SSB 5167 - S AMD **915**
By Senator Hasegawa

ADOPTED 01/22/2020

5 On page 1, line 1 of the title, after "program;" strike the
6 remainder of the title and insert "and reenacting and amending RCW
7 43.86A.060"

EFFECT: Reverts the limit for qualifying loans made to veteran-owned businesses back to the \$15 million limit under current law.

--- END ---