

FINAL BILL REPORT

SB 5787

C 99 L 22
Synopsis as Enacted

Brief Description: Concerning the linked deposit program.

Sponsors: Senators Nguyen, Dhingra, Frockt, Keiser, Kuderer, Liias, Lovick, Nobles and Pedersen; by request of State Treasurer.

Senate Committee on Business, Financial Services & Trade
House Committee on Consumer Protection & Business

Background: The Linked Deposit Program (program) was created to increase access to business capital for the state's certified minority-owned, women-owned, and veteran-owned businesses. Under the program, the state treasurer may use up to \$190 million of the state's short-term surplus funds to allow certified businesses to obtain reduced interest rate loans from participating financial institutions using certificate of deposits as an investment. Up to \$15 million per year of the total program amount is provided for veteran-owned businesses, with the remaining \$175 million in funding allocated to minority-owned and women-owned businesses. A qualifying loan is one to certified minority-owned, women-owned, and veteran-owned businesses, and cannot exceed \$1 million per business or have a repayment period greater than ten years.

Summary: The short-term surplus funds used to allow certified businesses to obtain reduced interest rate loans from participating financial institutions are expanded to include investment instruments, rather than just certificates of deposits. The certificate of deposit investment program is renamed the surplus property investment program. The deposits and interest accrued through the investment of surplus funds are protected against loss.

Votes on Final Passage:

Senate	43	0
House	96	2

Effective: June 9, 2022

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