

No: 69

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1987



ENROLLED

Committee Substitute for

SENATE BILL NO. 69

(By Senators *Lucke and Manchin*)



PASSED March 14 1987

In Effect ninety days from Passage



ENROLLED
COMMITTEE SUBSTITUTE
FOR
Senate Bill No. 69

(SENATORS TUCKER AND MANCHIN, *original sponsors*)

[Passed March 14, 1987; in effect ninety days from passage.]

AN ACT to amend and reenact sections three and four, article one-a, chapter twelve of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to linked deposit loans; loan cap; application for loan priority; loan package; and eligibility criteria.

Be it enacted by the Legislature of West Virginia:

That sections three and four, article one-a, chapter twelve of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

ARTICLE 1A. LINKED DEPOSIT PROGRAM.

§12-1A-3. Limitations on investment in linked deposits.

- 1 (a) The state treasurer may invest in linked deposits:
- 2 *Provided*, That at the time of the placement of the linked
- 3 deposit not more than ten percent of the state's total
- 4 investment portfolio is so invested. The total amount so
- 5 deposited at any one time shall not exceed, in the aggregate,
- 6 two hundred twenty-five million dollars, of which fifty
- 7 million dollars shall be provided for linked deposits to West
- 8 Virginia flood victims from the twenty-nine counties
- 9 eligible for federal disaster aid as listed by the federal

10 emergency management agency: *Provided, however,* That
11 after the first day of April, one thousand nine hundred
12 eighty-seven, the state treasurer shall reserve ten million
13 dollars of the unallocated aggregate for linked deposits to
14 such West Virginia flood victims and may use the remaining
15 balance of such unallocated moneys in the regular linked
16 deposit program: *Provided further,* That after the first day
17 of January, one thousand nine hundred eighty-eight, the
18 remaining balance of unallocated moneys may be used in
19 the regular linked deposit program.

20 (b) Small business linked deposit funds shall not be
21 used to provide each applicant with more than fifty
22 thousand dollars for a reduced rate loan for each
23 nonmanufacturing job created or preserved or provide
24 more than one hundred twenty-five thousand dollars for a
25 reduced rate loan for each manufacturing job created or
26 preserved. This subsection shall not preclude any flood
27 victim from applying for a linked deposit under the flood
28 program.

§12-1A-4. Applications for loan priority; loan package.

1 (a) An eligible lending institution that desires to receive
2 a linked deposit shall accept and review applications for
3 loans from eligible small businesses. The lending institution
4 shall apply all usual lending standards to determine the
5 creditworthiness of each eligible small business.

6 (b) An eligible small business shall certify on its loan
7 application that the reduced rate loan will be used
8 exclusively to create new jobs or preserve existing jobs and
9 employment opportunities. An eligible small business shall
10 make a sworn affidavit stating that the reduced rate loan
11 will not be used to refinance an existing debt, unless it can
12 be demonstrated to show the business will fail if not granted
13 such loan. Whoever knowingly makes a false statement
14 concerning such application shall be prohibited from
15 entering into the linked deposit loan program.

16 (c) In considering which eligible small businesses
17 should receive reduced rate loans, the eligible lending
18 institution shall give priority to the economic needs of the
19 area in which the business is located, including whether the
20 business is located in a county declared to be a federal
21 disaster area by the Federal Emergency Management
22 Agency, and the number of jobs to be created. If jobs are to

23 be preserved by the receipt of such loan, the eligible lending
24 institution shall decide between small businesses that had
25 no profit in the last tax year verified by independent audit
26 filed for relief under the federal bankruptcy laws in the past
27 year or has been adversely affected by a nonreimbursed
28 casualty loss due to a natural disaster. An eligible small
29 business shall make a sworn affidavit stating that one of the
30 above mentioned circumstances applies to their business.
31 There shall also be a continuous internal audit conducted
32 by the state treasurer which shall be made available to the
33 Legislature annually.

34 (d) The eligible financial institution shall forward to the
35 state treasurer a linked deposit loan package, in the form
36 and manner as prescribed by the state treasurer. The
37 package shall include such information as required by the
38 state treasurer, including the amount of the loan requested
39 and the number of jobs to be created or sustained by each
40 eligible small business. The institution shall certify that
41 each applicant is an eligible small business, and shall, for
42 each business, certify the present borrowing rate applicable
43 to each specific eligible business.

[Handwritten signatures and scribbles]


The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

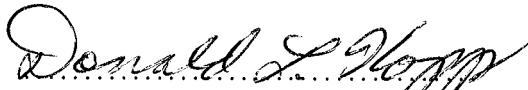

.....
Chairman Senate Committee

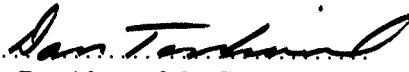

.....
Chairman House Committee

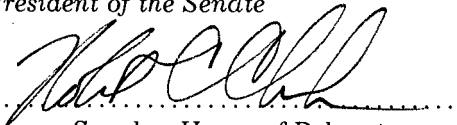
Originated in the Senate.

In effect ninety days from passage.


.....
Clerk of the Senate


.....
Clerk of the House of Delegates


.....
President of the Senate


.....
Speaker House of Delegates

The within *approved* this the *28th*
March day of 1987.


.....
Governor

PRESENTED TO THE
GOVERNOR

Date 3/23/87

Time 3:04 p.m.

RECEIVED

1997 MAR 30 AM 11: 25

OFFICE OF THE SECRETARY
GENERAL INVESTIGATIVE
DIVISION