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**Community & Economic Development &  
Trade Committee**

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**HB 2641**

**Brief Description:** Expanding small business development centers.

**Sponsors:** Representatives Kenney, Maxwell, Hasegawa, Sullivan, Liias, Clibborn, Ericks, Pettigrew, Chase, Conway, Probst, Kelley, Simpson, Sells, Goodman, Hudgins, Morrell and Santos.

**Brief Summary of Bill**

- Requires the Department of Licensing to provide an opportunity for master business license applicants to voluntarily donate two dollars when submitting initial or renewal applications.
- Directs deposit of donated funds into a Business Assistance Account for expenditure by the Small Business Development Center administrator on increased management and technical assistance to existing small and start-up businesses at satellite offices.

**Hearing Date:** 1/14/10

**Staff:** Meg VanSchoorl (786-7105).

**Background:**

*Master Business License*

The Business License Center, within the Department of Licensing, provides a single location where businesses may apply for a Master License. The Master Business Application is a simplified form used to apply online or in person for many state licenses, registrations, and permits. All specialty licenses available through the Master License Service must be renewed each year. The processing fees for master business applications and for renewal applications are set by statute at \$15 and \$9 respectively. There are also additional fees associated with licenses, registrations, or permits required for particular types of business.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

### *Small Business Development Centers*

Small Business Development Centers (SBDC), headquartered at Washington State University (WSU), provide management and technical assistance such as training, counseling, and research, to existing small businesses and entrepreneurs. The SBDC is a cooperative effort between WSU, other educational institutions, economic development organizations, and the U.S. Small Business Administration. The SBDC has business adviser centers at 24 locations. Fourteen are operated directly by WSU and 10 are operated under contract with WSU. Some are located at community colleges and some are co-located with economic development councils and other community-based organizations. SBDCs are supported by federal, state and local funds.

Substitute Senate Bill 5723, enacted during the 2009 legislative session, directed the SBDC network to integrate and coordinate its services with other state economic and workforce development programs, target its services to in-state small businesses, tailor each center's outreach and services to local needs and demographics, and establish or expand satellite offices when financially feasible. A Business Assistance Account (Account) was established in the custody of the State Treasurer to be used only by the SBDC administrator or designee to expand business assistance services. No fund source for the Account was identified. Any funds in the Account must first be used to make increased management and technical assistance available to small and start-up businesses at satellite offices. The funds may also be used to develop and expand programs such as small business planning workshops and counseling.

#### **Summary of Bill:**

The Department of Licensing is required to provide an opportunity for master business applicants to make a voluntary donation of \$2.00 at the time they submit initial and renewal applications. These donations must be deposited into the Business Assistance Account. The SBDC administrator or designee is required to first use funds within the Account to make increased management and technical assistance available to existing small businesses and start up businesses at satellite offices.

**Appropriation:** None.

**Fiscal Note:** Requested on 1/8/2010.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.