
SENATE BILL 6100

State of Washington

64th Legislature

2015 Regular Session

By Senators Chase, Brown, Angel, Hatfield, Ericksen, and McCoy

Read first time 04/15/15. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to establishing an economic gardening pilot
2 program; adding a new section to chapter 43.31 RCW; creating a new
3 section; and providing an expiration date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

6 (a) Washington's unemployment rate during the recent recession
7 created economic and social hardships for the people of the state;

8 (b) Local start-up companies and small businesses are likely, as
9 they grow, to remain in their communities of origin, thereby creating
10 local jobs and an economic multiplier effect with their payrolls and
11 taxes while providing local economic stimuli, which increases the
12 local tax base;

13 (c) Statewide economic prosperity and job creation are advanced
14 significantly by creating, promoting, and retaining local start-up
15 companies and small businesses with high growth potential;

16 (d) Entrepreneurs and small business owners of second-stage
17 companies, which are those companies that are beyond the start-up
18 stage but have not yet fully matured, with innovative products or
19 services that satisfy market needs, have particular potential for
20 expansion and job creation;

1 (e) Such entrepreneurs and owners can benefit from specialized
2 business assistance to refine core strategies and from access to in-
3 depth market research, competitor analyses, geographic information
4 systems, search engine optimization, and other strategic information,
5 as well as from relationships with mentors and advisers;

6 (f) The aspects of economic gardening that incorporate these
7 principles have proven successful in improving the entrepreneurial
8 process and promoting economically sustainable local businesses; and

9 (g) It is important to the overall health and growth of the
10 state's economy to promote favorable conditions for those expanding
11 Washington businesses that demonstrate the ability to grow.

12 (2) In recognition of the foregoing findings and principles, it
13 is the intent of the legislature to create a Washington economic
14 gardening pilot project in the department of commerce.

15 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.31
16 RCW to read as follows:

17 (1) There is hereby created within the department the economic
18 gardening pilot project. The purpose of the pilot project is to
19 stimulate Washington's economy and create good-paying, sustainable
20 jobs by providing economic gardening strategic assistance services to
21 second-stage companies in accordance with this section.

22 (2) The state director must oversee and direct all resources for
23 the execution of the pilot project, including developing the
24 processes for qualifying and selecting second-stage companies,
25 identifying training components for office and small business
26 development center staff members, engaging trained and certified
27 economic gardening private contractors as necessary, and providing
28 economic gardening strategic assistance to companies participating in
29 the pilot project.

30 (3)(a) On or before January 1, 2016, the state director must
31 initiate a program to provide or obtain all necessary credentials for
32 high-impact strategic assistance to staff members of the office and
33 small business development centers.

34 (b) Prior to the date that strategic assistance is provided
35 pursuant to this subsection (3):

36 (i) At least eight staff members of small business development
37 centers in the state must be certified in economic gardening by a
38 nationally recognized certifying entity identified by the state
39 director; and

1 (ii) The state director must, as necessary, contract with trained
2 and certified economic gardening private contractors.

3 (c) After the small business development center staff members are
4 certified under (b) of this subsection, the state director must use
5 the existing infrastructure of small business development centers to
6 promote the pilot project to second-stage companies and to those
7 small business development center clients and referrals that, in the
8 state director's opinion, show growth potential in jobs, sales, or
9 export potential.

10 (4)(a) On or before January 1, 2016, the state director must
11 publish criteria for a second-stage company to be selected to
12 participate in the pilot project. The criteria must include job
13 growth potential, sustainability, export potential, and a workforce
14 comprised of at least fifty percent Washington residents. Application
15 criteria must also include requirements for data collection, as
16 specified by the state director, to show the impacts of services
17 provided through the pilot project. The state director must identify
18 second-stage companies eligible to participate by utilizing the
19 office's existing strategic infrastructure and by consulting with
20 local and regional economic development partners, such as local
21 service corps of retired executives, small business counseling
22 offices, chambers of commerce, regional building alliances, economic
23 development organizations, and other local or regional economic
24 development entities. The eligible companies and clients must include
25 second-stage companies in small business development centers' client
26 lists, key industry networks, regional development planning groups,
27 and Washington companies to watch applicants.

28 (b) In order to participate in the pilot project, a company
29 selected for participation must pay a one-time fee of seven hundred
30 fifty dollars, which moneys must be deposited into the economic
31 gardening pilot project fund, created in subsection (5) of this
32 section, for reinvestment in the pilot project.

33 (c) On or before March 1, 2016, the state director must select a
34 minimum of twenty companies to participate in the pilot project.

35 (d) The state director must oversee the office and small business
36 development center staff members certified pursuant to (b) of this
37 subsection or certified private contractors to deploy strategic
38 assistance to all pilot project participants. The state director must
39 acquire any tools that he or she deems necessary to provide the

1 strategic assistance, including database licenses, permits, and
2 economic gardening certification.

3 (e) Participating company has twelve months from the date that
4 the state director selects the company to participate in the pilot
5 project to use the strategic assistance and other economic gardening
6 services offered pursuant to the pilot project.

7 (5) There is hereby created in the state treasury the economic
8 gardening pilot project fund, to be administered by the state
9 director. The fund consists of all fees received under subsection
10 (4)(b) of this section and any moneys appropriated by the legislature
11 for the purposes of this section. The legislature must make annual
12 appropriations of the moneys in the fund to the office for
13 administering the pilot project. Any moneys in the fund not
14 appropriated must remain in the fund and may not be transferred or
15 revert to the general fund at the end of any fiscal year.

16 (6) On or before November 1, 2016, and on or before November 1st
17 each year thereafter through November 1, 2018, and in compliance with
18 RCW 43.01.036 the director must submit a report to the economic and
19 workforce development committees of the legislature. The report must
20 include, at a minimum:

21 (a) The services offered through the pilot project's strategic
22 assistance;

23 (b) The office's expenditures on strategic assistance provided to
24 pilot program participants;

25 (c) The number and types of jobs created as a result of the pilot
26 project;

27 (d) The increased sales as a result of the pilot project; and

28 (e) The value of goods or services sold outside the company's
29 local area or state.

30 (7) The following definitions apply throughout this section
31 unless the context clearly requires otherwise.

32 (a) "Department" means the department of commerce.

33 (b) "Economic gardening" means an approach to economic growth and
34 development that emphasizes nurturing and cultivating local small
35 businesses by providing strategic assistance to second-stage
36 companies.

37 (c) "Key industry" means an industry critical to the Washington
38 economy, as identified by the department.

39 (d) "Pilot project" means the economic gardening pilot project
40 created in this section.

1 (e) "Second-stage company" means a privately held business that:
2 (i) Employs full-time at least six persons but not more than
3 ninety-nine persons;
4 (ii) Has maintained its principal place of business and a
5 majority of its employees in Washington for at least the previous two
6 years;
7 (iii) Claims at least five hundred thousand dollars but not more
8 than fifty million dollars as annual gross revenue or working
9 capital; and
10 (iv) Has a product or service that is, or has the potential to
11 be, sold outside the company's local area or state.
12 (f) "State director" means the state director of small business
13 development centers, or any successor division, in the office.
14 (g) "Strategic assistance" or "economic gardening strategic
15 assistance" means performing high-level consulting or database
16 research and analysis or the deployment of office and small business
17 development center staff members certified under subsection (4) of
18 this section to perform market research, develop core strategies,
19 conduct business modeling, identify qualified sales leads, provide
20 growth financing referrals, perform search engine optimization,
21 utilize geographic information systems, advise on new media
22 marketing, or assist with network analyses and innovation strategies.
23 (8) The pilot program created in this section terminates on July
24 1, 2019.
25 (9) This section expires July 1, 2019.

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