

SENATE BILL REPORT

ESHB 1737

AS REPORTED BY COMMITTEE ON COMMERCE & LABOR, FEBRUARY 28, 1992

Brief Description: Promoting minority and women-owned business opportunities.

SPONSORS: House Committee on Trade & Economic Development (originally sponsored by Representatives Wineberry, Franklin, Ferguson, Riley, Forner, Ludwig, Miller, Winsley, Jacobsen and Anderson)

HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Matson, Chairman; Anderson, Vice Chairman; McMullen, Moore, and Skratek.

Staff: Jonathan Seib (786-7427)

Hearing Dates: February 26, 1992; February 27, 1992; February 28, 1992

BACKGROUND:

There is concern that a disproportionately small number of businesses in the state are owned by minorities and women. This is due in part to insufficient and unequal access to financing, and a lack of necessary business training.

Washington's Office of Minority and Women's Business Enterprises was created to increase opportunities for minorities and women to obtain state contracts. It certifies businesses as eligible for MBE or WBE status, and sets annual MBE and WBE participation goals in fulfilling state contracts.

SUMMARY:

The Department of Trade and Economic Development (DTED) shall provide technical assistance to minority and women-owned businesses, including those with the capacity to participate in international trade.

DTED may contract with associate development organizations to establish a standard business training course for minority and women small business owners and entrepreneurs.

The Office of Minority and Women's Business Enterprises shall require that each state agency adopt a plan to ensure that minority and women-owned businesses are afforded the opportunity to participate in contracts for public works and

construction. To achieve established participation goals, the plan shall include the agency contracting directly with minority and women-owned businesses.

Loans may be provided to minority and women-owned businesses through the establishment of the Washington State Minority and Women-Owned Business Loan Fund. The Director of the Department of Community Development may establish this lending program by creating a seven-member committee to administer the fund. The fund can be capitalized by switching state funds with federal funds administered by the Department of Community Development. No more than 5 percent of the fund balance may be used for fund administration.

Criteria for loan approval are provided. Individual loans may not exceed \$75,000 unless approved by the Director of the Department of Community Development. Loans approved by the Director may not exceed \$150,000.

The loan committee shall report to the Legislature regarding the program each January.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

The bill would provide training and capital that is now often unavailable to women and minorities wishing to start or further a business. Such businesses provide jobs which strengthen the community.

TESTIMONY AGAINST: None

TESTIFIED: PRO: Representative Wineberry; Karen Johnson, Minority and Women Roundtable