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**SUBSTITUTE HOUSE BILL 1957**

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**State of Washington 67th Legislature 2022 Regular Session**

**By** House Appropriations (originally sponsored by Representatives Rule, Walen, Chapman, Santos, Simmons, Ramel, J. Johnson, Riccelli, Frame, Ormsby, and Harris-Talley)

AN ACT Relating to establishing a small business disaster recovery financial assistance program; adding a new section to chapter 43.330 RCW; and creating a new section.

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

NEW SECTION. **Sec.**  (1) The legislature finds that for small businesses impacted by destructive weather events and other natural or other comparable disasters, financial relief and recovery resources are often necessary for survival. Many small businesses that close due to a disaster will never reopen or will close permanently after two years.

(2) The legislature further finds that disaster aid is critical to small businesses that may need financing yet struggle with accessing capital due to lack of financial documentation, lack of collateral, credit issues, or being perceived as not bankable. After a disaster, small businesses may deplete savings, borrow from family or friends, take out second mortgages, or grow credit card debt to stay afloat.

(3) The legislature further finds that short-term aid, or gap funding, would help retain businesses, jobs, and community resilience while businesses await longer-term financing after a disaster.

(4) Therefore, the legislature intends to establish a grant program to provide financial assistance to small businesses in the immediate aftermath of a disaster.

NEW SECTION. **Sec.**  A new section is added to chapter 43.330 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the department must develop and implement a small business disaster recovery financial assistance program for the purpose of providing resources to small businesses that have sustained physical damage or economic loss due to a natural or other comparable disaster.

(2) Under the program, the department may provide grants to eligible businesses. Grant funds may be used for payroll, utilities and rent, marketing and advertising, building improvements or repairs, replacing damaged inventory and equipment, and other operations and business expenses.

(3) In order to be eligible to apply for a grant under this section, a business must provide documentation of:

(a) Annual gross receipts of $5,000,000 or less; and

(b) A reduction in business income or activity as a result of a natural disaster such as a flood, earthquake, or wildfire, or a comparable disaster such as major utility disruptions resulting in property damage or prolonged outages.

(4) The department must make assistance available for an eligible business within three months of receiving an application.

(5) The department must coordinate with local economic development entities in conducting outreach to small businesses in order to increase awareness and understanding of the small business disaster recovery financial assistance program.

(6) The department may make rules to implement this section.

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