

HOUSE BILL REPORT

ESHB 1737

*As Passed House
February 17, 1992*

Title: An act relating to minority and women-owned businesses.

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

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

Brief History:

Reported by House Committee on:
Trade & Economic Development, March 6, 1991, DPS;
Passed House, February 17, 1992, 97-0.

**HOUSE COMMITTEE ON
TRADE & ECONOMIC DEVELOPMENT**

Majority Report: *That Substitute House Bill No. 1737 be substituted therefor, and the substitute bill do pass.*
Signed by 11 members: Representatives Cantwell, Chair; Sheldon, Vice Chair; Forner, Ranking Minority Member; Betrozoff, Assistant Ranking Minority Member; Ferguson; Kremen; Ludwig; Moyer; Rasmussen; Riley; and Roland.

Staff: Charlie Gavigan (786-7340).

Background: Minority business enterprises (MBEs) and women's business enterprises (WBEs) benefit generally from state-wide economic development programs.

Washington State's Office of Minority and Women's Business Enterprises (OMWBE) was created in 1983 to increase opportunities for minorities and women to obtain state contracts. OMWBE's major duties are: (1) to set annual MBE and WBE participation goals in fulfilling state contracts; (2) to certify businesses as eligible for MBE or WBE status; (3) to provide a certification list for state agencies and others seeking to solicit bids from MBEs or WBEs; and (4) to monitor agencies and perform investigations to identify barriers to equal participation and expose discriminatory business practices.

MBE and WBE firms located in distressed areas may apply to the Development Loan Fund (DLF). The DLF, created in 1985, makes loans to businesses, through local governments using federal funds, to locate or expand in a community.

Summary of Bill: Financial assistance may be provided to qualified minority and women business owners and minority and women entrepreneurs through the establishment of the Washington State Minority and Women-Owned Businesses Loan Fund. The director of the Department of Community Development may establish this lending program by creating a seven member loan fund 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 spent to administer the fund.

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.

A business training course of instruction for MBEs and WBEs may be established by the Department of Trade and Economic Development. The department would contract with associate development organizations to develop the course. The training course is for resident minority and women business owners.

The Department of Trade and Economic Development is to provide technical assistance to minority and women-owned businesses with the capacity to participate in international trade.

The Office of Minority and Women's Business Enterprises (OMWBE) is to work with state agencies to develop a plan, that includes direct contracting with certified minority and women-owned business for public works and construction, to achieve OMWBE participation goals for certified firms in state contracting.

Fiscal Note: Available.

Appropriation: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The bill redresses the lack of business financing, opportunities, and training for minority and women business owners.

Testimony Against: None.

Witnesses: Lonnie Johns-Brown, National Organization for Women (supports bill); Don Sirkin, Contractors Bonding and Insurance Company (supports intent of bill, but is concerned about the adequacy of the Bonding Assistance Program); Robert Branscomb, Group Insurance Agency (supports intent of bill, but is concerned that MWBEs involved in goods and services do not receive adequate consideration); Bill W. Hilliard, Seattle Human Rights Department (supports bill); and Tony Orange, Seattle Human Rights Department (supports bill).