
SUBSTITUTE HOUSE BILL 2784

State of Washington

58th Legislature

2004 Regular Session

By House Committee on Trade & Economic Development (originally sponsored by Representatives Pettigrew, Skinner, O'Brien, Conway, Hunt, Cooper, Cairnes, Eickmeyer, Jarrett, Sullivan, Kirby, G. Simpson, Ruderman, Hatfield, Moeller, Chase, Kenney, Morrell, Hudgins and Murray)

READ FIRST TIME 02/10/04.

1 AN ACT Relating to the small business incubator program; and adding
2 a new chapter to Title 43 RCW.

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

4 NEW SECTION. **Sec. 1.** It is hereby declared to be the policy of
5 the state of Washington to assist in the creation and expansion of
6 innovative small commercial enterprises that produce marketable goods
7 and services through the employment of residents, the use of
8 technology, and the application of best management practices. This
9 policy is to be implemented through the use of small business
10 incubators.

11 NEW SECTION. **Sec. 2.** The definitions in this section apply
12 throughout this chapter unless the context clearly requires otherwise.

13 (1) "Business incubator" means a physical location that offers:
14 (a) Space for start-up and expanding firms with viable products;
15 (b) The shared use of equipment and work areas;
16 (c) Daily management support services essential to high-quality
17 commercial operations; and

1 (d) Technical resources that enable entrepreneurs to transform
2 private activities into successful business.

3 (2) "Qualified small business incubator" means an incubator that
4 is:

5 (a)(i) Designated as a nonprofit organization under section
6 501(c)(3) of the internal revenue code, or (ii) consists of a
7 partnership between a designated nonprofit organization under section
8 501(c)(3) of the internal revenue code and a government or quasi-
9 government agency;

10 (b) Focused on developing small businesses in an economically
11 distressed or disadvantaged area;

12 (c) Structured around a sound business plan; and

13 (d) Compliant with the standards developed by the department of
14 community, trade, and economic development in consultation with the
15 Washington association of small business incubators.

16 NEW SECTION. **Sec. 3.** (1) The small business incubator program is
17 created and shall be administered by the department of community,
18 trade, and economic development.

19 (2) The department of community, trade, and economic development
20 shall award grants to qualified small business incubator organizations
21 with viable operational plans for the construction and equipment needs
22 of small business incubator facilities. In order to receive the grant
23 money, the qualified small business incubator organization must show
24 that it has the resources to complete the project in a timely manner
25 and the state grant is not the sole source of funds.

26 (3) The department of community, trade, and economic development
27 will provide operating assistance, up to a maximum of 125,000 dollars
28 per year, to qualified small business incubators for support services
29 and the operation of incubator facilities.

30 NEW SECTION. **Sec. 4.** All state agencies must include small
31 business incubators in strategies for economic growth. This inclusion
32 may consist of practicable communications, partnership agreements, and
33 other relationships that promote the use of small business incubators
34 to stimulate economic activities.

1 NEW SECTION. **Sec. 5.** The small business incubator account is
2 created in the custody of the state treasurer. All money received for
3 the incubator program must be deposited in the account. Expenditures
4 from the account may be used only for the small business incubator
5 program. Only the director of the department of community, trade, and
6 economic development or the director's designee may authorize
7 expenditures from the account. The account is subject to the allotment
8 procedures under chapter 43.88 RCW, but an appropriation is not
9 required for expenditures.

10 NEW SECTION. **Sec. 6.** This act may be known as the Washington
11 small business incubator and entrepreneurship assistance act of 2004.

12 NEW SECTION. **Sec. 7.** The department of community, trade, and
13 economic development shall have no duty to provide services related to
14 the small business incubator and entrepreneurship assistance act of
15 2004 unless and until the small business incubator program and related
16 administrative expenses are funded by the legislature.

17 NEW SECTION. **Sec. 8.** Sections 1 through 7 of this act constitute
18 a new chapter in Title 43 RCW.

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