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HOUSE BILL 1815

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State of Washington

59th Legislature

2005 Regular Session

By Representatives Wallace, Skinner, Pettigrew, Rodne, Kilmer, Ahern, Blake, McCoy, Anderson, Walsh, Lovick, Hudgins, Appleton, Strow, Murray, B. Sullivan, Simpson, Kessler, Williams, O'Brien, Conway, Morris, Linville, Lantz and Moeller

Read first time 02/07/2005. Referred to Committee on Economic Development, Agriculture & Trade.

1 AN ACT Relating to a small business incubator competitive grant  
2 program; amending RCW 43.176.020; adding a new section to chapter  
3 43.176 RCW; and making appropriations.

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

5 **Sec. 1.** RCW 43.176.020 and 2004 c 237 s 2 are each amended to read  
6 as follows:

7 The definitions in this section apply throughout this chapter  
8 unless the context clearly requires otherwise.

9 (1) "Business incubator" means:

10 (a) A facility that offers:

11 ~~((a))~~ (i) Space for start-up and expanding firms;

12 ~~((b))~~ (ii) The shared use of equipment and work areas;

13 ~~((c))~~ (iii) Daily management support services essential to high-  
14 quality commercial operations; and

15 ~~((d))~~ (iv) Technical assistance; or

16 (b) A program offering start-up or emerging businesses business-  
17 related training and services as well as technical assistance  
18 including, but not limited to, financial planning, business planning,  
19 and accounting.

1       (2) For the purposes of this section, the following definitions  
2 apply:

3       (a) "Department" means the department of community, trade, and  
4 economic development.

5       (b) Emerging business means a business: (i) That is engaged in  
6 activities related to the development of initial product or service  
7 offerings, such as prototype development or establishment of initial  
8 production or service processes; or (ii) which is less than three years  
9 old and during the previous fiscal year had gross revenues of no more  
10 than two million dollars.

11       (c) "Qualified small business incubator" means an incubator that  
12 is:

13       (~~(a)(i)~~) (i)(A) Designated as a nonprofit organization under  
14 section 501(c)(3) of the internal revenue code, or (~~(ii)~~) (B)  
15 consists of a partnership between a designated nonprofit organization  
16 under section 501(c)(3) of the internal revenue code and a government  
17 or quasi-government agency;

18       (~~(b)~~) (ii) Focused on developing small businesses in an  
19 economically distressed or disadvantaged area; and

20       (~~(c)~~) (iii) Structured around a sound business plan.

21       (d) "Regions" means the following six areas:

22       (i) Northwest region: Clallam, Jefferson, Whatcom, Skagit, San  
23 Juan, and Island counties;

24       (ii) Puget Sound region: King, Pierce, Snohomish, and Thurston  
25 counties;

26       (iii) Southwest region: Lewis, Wahkiakum, Grays Harbor, Mason,  
27 Pacific, Cowlitz, Clark, and Skamania counties;

28       (iv) Northeast region: Adams, Chelan, Douglas, Whitman, Grant,  
29 Okanogan, Ferry, Stevens, Pend Oreille, Lincoln, and Spokane counties;

30       (v) Southeast region: Benton, Franklin, Walla Walla, Columbia,  
31 Garfield, Asotin, Whitman, Kittitas, Skamania, and Adams counties.

32       (vi) "Start-up business" means a business that: (A) Is involved in  
33 activities related to the development of initial product or service  
34 offerings, such as prototype development or establishment of initial  
35 production or services processes; (B) during the preceding fiscal year,  
36 had gross revenues of no more than two million dollars; and (C) has  
37 fewer than twenty employees.

1        NEW SECTION.    **Sec. 2.**    A new section is added to chapter 43.176 RCW  
2 to read as follows:

3        A competitive grant program is created in the department to assist  
4 small business incubators as defined in RCW 43.176.020.    The  
5 competitive grants, of up to two hundred thousand dollars per year per  
6 region, shall be given to a designated nonprofit organization under  
7 section 501(c)(3) of the internal revenue code or a governmental  
8 organization to provide business-related training and services as well  
9 as technical assistance to start-up or emerging businesses.

10        (1) Only ten percent of the grant funds may be used for  
11 administration and overhead.

12        (2) Grants shall be awarded for a two-year period.

13        (3) Previous grantees are not prohibited from reapplying.

14        (4) The department shall establish an application process and the  
15 appropriate forms. All applications shall include a work plan that  
16 shall include, at a minimum, the types of businesses targeted for  
17 assistance, the types of training, services, and technical assistance  
18 that will be offered, and the performance measures to be applied.

19        (5) One year after receiving the grant, the grantee shall submit a  
20 progress report to the department.

21        (6) The department shall submit on a biennial basis, beginning  
22 December 1, 2008, a report to the appropriate committees of the  
23 legislature. The report shall include, at a minimum:

24        (a) The number of businesses served by industry;

25        (b) The types of services provided;

26        (c) The number of jobs retained as a result of the grant program;

27        (d) The number of jobs created as a result of the grant program;

28 and

29        (e) The names of the grantees and the amounts of the grants.

30        NEW SECTION.    **Sec. 3.**    (1) The sum of one million two hundred  
31 thousand dollars, or as much thereof as may be necessary, is  
32 appropriated from the general fund to the department of community,  
33 trade, and economic development for the fiscal year ending June 30,  
34 2006, to carry out the purposes of this act.

35        (2) The sum of one million two hundred thousand dollars, or as much  
36 thereof as may be necessary, is appropriated from the general fund to

1 the department of community, trade, and economic development for the  
2 fiscal year ending June 30, 2007, to carry out the purposes of this  
3 act.

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