

**HB 2221-S - DIGEST**

(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Requires the director to determine whether a business that is registered as a contractor under chapter 18.27 RCW or licensed as a contractor under chapter 19.28 RCW is a disadvantaged contractor, and shall adopt rules establishing the criteria and procedures for making this determination. The business owner or owners shall be required to show both social and economic disadvantage based on the following: (1) The relative financial resources of the business as well as the personal wealth of the owner or owners of the business;

(2) Social disadvantage based on any of the following: (a) color, ethnic origin, gender, or physical disability; (b) location in an area of high unemployment or a qualified census tract; or (c) other factors not common to other small businesses; and

(3) Economic disadvantage based on business size thresholds and eligibility criteria developed in rule that are designed to stimulate economic development through contract awards to businesses located in qualified census tracts.

Requires the director to contract with nonprofit organizations to provide technical assistance to disadvantaged contractors to become more competitive by developing or improving their business operations skills. During the 2007-2009 biennium, the director shall enter into two contracts to provide technical assistance to disadvantaged contractors, with one contract for contractors located west of the crest of the Cascade mountains, and the other for contractors located east of the crest of the Cascade mountains.