

2SSB 6667 - H COMM AMD

By Committee on Community & Economic Development & Trade

ADOPTED AS AMENDED 03/05/2010

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that small businesses
4 and entrepreneurs are a fundamental source of economic and community
5 vitality for our state. They employ state residents, pay state taxes,
6 purchase goods and services from local and regional companies, and
7 contribute to our communities in many other ways. The legislature
8 finds that small businesses and entrepreneurs need increased access to
9 capital and technical assistance in order to maximize their potential.
10 The legislature intends that the department of commerce and the small
11 business development center each build upon their existing relevant
12 statutory missions and authorities by collaborating on a specific plan
13 to expand services to small businesses and entrepreneurs beginning in
14 the 2011-2013 biennium.

15 **Sec. 2.** RCW 43.330.060 and 2005 c 136 s 13 are each amended to
16 read as follows:

17 (1) The department shall (a) assist in expanding the state's role
18 as an international center of trade, culture, and finance; (b) promote
19 and market the state's products and services both nationally and
20 internationally; (c) work in close cooperation with other private and
21 public international trade efforts; (d) act as a centralized location
22 for the assimilation and distribution of trade information; and (e)
23 establish and operate foreign offices promoting overseas trade and
24 commerce.

25 (2) The department shall identify and work with Washington
26 businesses that can use local, state, and federal assistance to
27 increase domestic and foreign exports of goods and services.

28 (3) The department shall work generally with small businesses and
29 other employers to facilitate resolution of siting, regulatory,

1 expansion, and retention problems. This assistance shall include but
2 not be limited to assisting in workforce training and infrastructure
3 needs, identifying and locating suitable business sites, and resolving
4 problems with government licensing and regulatory requirements. The
5 department shall identify gaps in needed services and develop steps to
6 address them including private sector support and purchase of these
7 services.

8 (4) The department shall work to increase the availability of
9 capital to small businesses by developing new and flexible investment
10 tools; by assisting in targeting and improving the efficiency of
11 existing investment mechanisms; and by assisting in the procurement of
12 managerial and technical assistance necessary to attract potential
13 investors.

14 (5) The department shall assist women and minority-owned businesses
15 in overcoming barriers to entrepreneurial success. The department
16 shall contract with public and private agencies, institutions, and
17 organizations to conduct entrepreneurial training courses for minority
18 and women-owned businesses. The instruction shall be intensive,
19 practical training courses in financing, marketing, managing,
20 accounting, and recordkeeping for a small business, with an emphasis on
21 federal, state, local, or private programs available to assist small
22 businesses. Instruction shall be offered in major population centers
23 throughout the state at times and locations that are convenient for
24 minority and women small business owners.

25 (6)(a) By December 1, 2010, the department, in conjunction with the
26 small business development center, must prepare and present to the
27 governor and appropriate legislative committees a specific, actionable
28 plan to increase access to capital and technical assistance to small
29 businesses and entrepreneurs beginning with the 2011-2013 biennium. In
30 developing the plan, the department and the center must consult with
31 the Washington state microenterprise association, and may consult with
32 other government, nonprofit, and private organizations as necessary.
33 The plan must identify:

34 (i) Existing sources of capital and technical assistance for small
35 businesses and entrepreneurs;

36 (ii) Critical gaps and barriers to availability of capital and
37 delivery of technical assistance to small businesses and entrepreneurs;

1 (iii) Workable solutions to filling the gaps and removing barriers
2 identified in (a)(ii) of this subsection; and

3 (iv) The financial resources and statutory changes necessary to put
4 the plan into effect beginning with the 2011-2013 biennium.

5 (b) With respect to increasing access to capital, the plan must
6 identify specific, feasible sources of capital and practical mechanisms
7 for expanding access to it.

8 (c) The department and the center must include, within the analysis
9 and recommendations in (a) of this subsection, any specific gaps,
10 barriers, and solutions related to rural and low-income communities and
11 small manufacturers interested in exporting.

12 **Sec. 3.** RCW 28B.30.530 and 2009 c 486 s 1 are each amended to read
13 as follows:

14 (1) The board of regents of Washington State University shall
15 establish the Washington State University small business development
16 center.

17 (2) The center shall provide management and technical assistance
18 including but not limited to training, counseling, and research
19 services to small businesses throughout the state. The center shall
20 work with the department of (~~community, trade, and economic~~
21 ~~development~~) commerce, the state board for community and technical
22 colleges, the higher education coordinating board, the workforce
23 training and education coordinating board, the employment security
24 department, the Washington state economic development commission,
25 associate development organizations, and workforce development councils
26 to:

27 (a) Integrate small business development centers with other state
28 and local economic development and workforce development programs;

29 (b) Target the centers' services to small businesses;

30 (c) Tailor outreach and services at each center to the needs and
31 demographics of entrepreneurs and small businesses located within the
32 service area;

33 (d) Establish and expand small business development center
34 satellite offices when financially feasible; and

35 (e) Coordinate delivery of services to avoid duplication.

36 (3) The administrator of the center may contract with other public
37 or private entities for the provision of specialized services.

1 (4) The small business development center may accept and disburse
2 federal grants or federal matching funds or other funds or donations
3 from any source when made, granted, or donated to carry out the
4 center's purposes. When drawing on funds from the business assistance
5 account created in RCW (~~(30.60.010)~~) 28B.30.531, the center must first
6 use the funds to make increased management and technical assistance
7 available to existing small businesses and start-up businesses at
8 satellite offices. The funds may also be used to develop and expand
9 assistance programs such as small business planning workshops and small
10 business counseling.

11 (5) The legislature directs the small business development center
12 to request United States small business administration approval of a
13 special emphasis initiative, as permitted under 13 C.F.R. 130.340(c) as
14 of April 1, 2009, to target assistance to Washington state's smaller
15 businesses. This initiative would be negotiated and included in the
16 first cooperative agreement application process that occurs after July
17 26, 2009.

18 (6) By (~~December 1, 2009, and~~) December 1, 2010,
19 (~~respectively,~~) the center shall provide a written progress report
20 and a final report to the appropriate committees of the legislature
21 with respect to the requirements in subsections (2) and (5) of this
22 section and the amount and use of funding received through the business
23 assistance account. The reports must also include data on the number,
24 location, staffing, and budget levels of satellite offices;
25 affiliations with community colleges, associate development
26 organizations or other local organizations; the number, size, and type
27 of small businesses assisted; and the types of services provided. The
28 reports must also include information on the outcomes achieved, such as
29 jobs created or retained, private capital invested, and return on the
30 investment of state and federal dollars.

31 (7)(a) By December 1, 2010, the center, in conjunction with the
32 department of commerce, must prepare and present to the governor and
33 appropriate legislative committees a specific, actionable plan to
34 increase access to capital and technical assistance to small businesses
35 and entrepreneurs beginning with the 2011-2013 biennium. In developing
36 the plan, the center and the department must consult with the
37 Washington state microenterprise association, and may consult with

1 other government, nonprofit, and private organizations as necessary.

2 The plan must identify:

3 (i) Existing sources of capital and technical assistance for small
4 businesses and entrepreneurs;

5 (ii) Critical gaps and barriers to availability of capital and
6 delivery of technical assistance to small businesses and entrepreneurs;

7 (iii) Workable solutions to filling the gaps and removing barriers
8 identified in (a)(ii) of this subsection; and

9 (iv) The financial resources and statutory changes necessary to put
10 the plan into effect beginning with the 2011-2013 biennium.

11 (b) With respect to increasing access to capital, the plan must
12 identify specific, feasible sources of capital and practical mechanisms
13 for expanding access to it.

14 (c) The center and the department must include, within the analysis
15 and recommendations in (a) of this subsection, any specific gaps,
16 barriers, and solutions related to rural and low-income communities and
17 small manufacturers interested in exporting."

18 Correct the title.

EFFECT: (1) Replaces all sections of the underlying bill, including provisions related to the Department of Commerce, the Small Business Development Center, the Washington Technology Center, the Washington Quality Award Council, and the Washington Manufacturing Innovation and Modernization Extension Service (MIMES) Program.

(2) Provides findings and intent related to the importance of small businesses and entrepreneurs, and their need for access to capital and technical assistance.

(3) Requires the Department of Commerce and the Small Business Development Center, in consultation with the State Microenterprise Association, to jointly prepare an actionable plan for increased access to capital and technical assistance beginning with the 2011-2013 biennium. Sets out the required elements of the plan, authorizes consultation with other organizations if needed, and requires the plan to be presented by December 1, 2010, to the Governor and appropriate legislative committees.

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