

CERTIFICATION OF ENROLLMENT

ENGROSSED SENATE BILL 6100

Chapter 212, Laws of 2016

64th Legislature
2016 Regular Session

ECONOMIC DEVELOPMENT--SECOND-STAGE COMPANIES--STRATEGIC BUSINESS
ASSISTANCE SERVICES--PILOT

EFFECTIVE DATE: 6/9/2016

Passed by the Senate March 8, 2016
Yeas 44 Nays 4

BRAD OWEN

President of the Senate

Passed by the House March 3, 2016
Yeas 67 Nays 29

FRANK CHOPP

Speaker of the House of Representatives

Approved April 1, 2016 4:42 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SENATE BILL 6100** as passed by Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

Secretary

FILED

April 4, 2016

**Secretary of State
State of Washington**

ENGROSSED SENATE BILL 6100

AS AMENDED BY THE HOUSE

Passed Legislature - 2016 Regular Session

State of Washington **64th Legislature** **2015 Regular Session**

By Senators Chase, Brown, Angel, Hatfield, Ericksen, and McCoy

Read first time 04/15/15. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to establishing an economic gardening pilot
2 program; adding a new section to chapter 43.31 RCW; creating new
3 sections; and providing an expiration date.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

6 (a) Washington's unemployment rate during the recent recession
7 created economic and social hardships for the people of the state;

8 (b) Local start-up companies and small businesses are likely, as
9 they grow, to remain in their communities of origin, thereby creating
10 local jobs and an economic multiplier effect with their payrolls and
11 taxes while providing local economic stimuli, which increases the
12 local tax base;

13 (c) Statewide economic prosperity and job creation are advanced
14 significantly by creating, promoting, and retaining local start-up
15 companies and small businesses with high growth potential;

16 (d) Entrepreneurs and small business owners of second-stage
17 companies, which are those companies that are beyond the start-up
18 stage but have not yet fully matured, with innovative products or
19 services that satisfy market needs, have particular potential for
20 expansion and job creation;

1 (e) Such entrepreneurs and owners can benefit from specialized
2 business assistance to refine core strategies and from access to in-
3 depth market research, competitor analyses, geographic information
4 systems, search engine optimization, and other strategic information,
5 as well as from relationships with mentors and advisers;

6 (f) The aspects of economic gardening that incorporate these
7 principles have proven successful in improving the entrepreneurial
8 process and promoting economically sustainable local businesses; and

9 (g) It is important to the overall health and growth of the
10 state's economy to promote favorable conditions for those expanding
11 Washington businesses that demonstrate the ability to grow.

12 (2) In recognition of the foregoing findings and principles, it
13 is the intent of the legislature to create a Washington economic
14 gardening pilot project in the department of commerce.

15 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.31
16 RCW to read as follows:

17 (1) There is hereby created within the department the economic
18 gardening pilot project. The purpose of the pilot project is to
19 stimulate Washington's economy and create good-paying, sustainable
20 jobs by providing economic gardening strategic assistance services to
21 second-stage companies in accordance with this section.

22 (2) The department must oversee and direct all resources for the
23 execution of the pilot project. The department must work with
24 chambers of commerce, associate development organizations, and other
25 economic development organizations to implement the pilot project.
26 The pilot project includes developing the processes for qualifying
27 and selecting second-stage companies, identifying training components
28 for economic development organizations implementing the pilot
29 project, engaging private contractors as necessary to obtain
30 strategic assistance from nationally recognized industry experts, and
31 providing economic gardening strategic assistance to companies
32 participating in the pilot project.

33 (3)(a) On or before January 1, 2017, the department must initiate
34 a program to provide or obtain all necessary credentials for high-
35 impact strategic assistance for the economic development
36 organizations participating in the pilot project.

37 (b) Economic development organizations participating in the pilot
38 project must be certified in economic gardening by an entity with

1 relevant expertise in providing strategic assistance to second-stage
2 companies.

3 (i) Prior to December 1, 2016, the department must issue a
4 request for expression of interest in offering an economic gardening
5 strategic assistance program. The department must compile a list of
6 interested parties identified through the request for expression of
7 interest process.

8 (ii) By December 1, 2016, the department must provide the list to
9 the legislature. The department must select from the list of
10 interested parties the entity it deems best able to deliver the
11 training and strategic assistance services to second-stage companies
12 described in this section and achieve the deliverables identified in
13 subsection (6) of this section.

14 (c) The department or economic development organizations
15 participating in the pilot project may, as necessary, contract with
16 national specialists in the industries of the second-stage companies
17 selected for the pilot program.

18 (d) The department must use the existing infrastructure of
19 economic development organizations in the state to promote the pilot
20 project to second-stage companies and to those clients and referrals
21 that show growth potential in jobs, sales, or export potential.

22 (4)(a) On or before January 1, 2017, the department and
23 participating economic development organizations must publish
24 criteria for a second-stage company to be selected to participate in
25 the pilot project. The criteria must include job growth potential,
26 sustainability, export potential, and a workforce comprised of at
27 least fifty percent Washington residents. Application criteria must
28 also include requirements for data collection, as specified by the
29 department, to show the impacts of services provided through the
30 pilot project. The department and participating economic development
31 organizations must utilize existing strategic infrastructure and
32 consult with local and regional economic development partners, such
33 as chambers of commerce, associate development organizations, and
34 other local or regional economic development entities, to identify
35 eligible second-stage companies.

36 (b) In order to participate in the pilot project, a company
37 selected for participation must pay a one-time fee of seven hundred
38 fifty dollars, which moneys must be deposited into the economic
39 gardening pilot project fund, created in subsection (5) of this
40 section, for reinvestment in the pilot project.

1 (c) On or before March 1, 2017, the department and participating
2 economic development organizations must select a minimum of twenty
3 companies to participate in the pilot project.

4 (d) The department must oversee staff members certified pursuant
5 to subsection (3)(b) of this section and private contractors selected
6 pursuant to subsection (3)(c) of this section to deploy strategic
7 assistance to all pilot project participants. The department and
8 participating economic development organizations must acquire any
9 tools necessary to provide the strategic assistance, including
10 database licenses, permits, and economic gardening certification.

11 (e) A participating company has twelve months from the date that
12 the department and participating economic development organizations
13 select the company to participate in the pilot project to use the
14 strategic assistance and other economic gardening services offered
15 pursuant to the pilot project.

16 (5) There is hereby created in the state treasury the economic
17 gardening pilot project fund, to be administered by the department.
18 The fund consists of all fees received under subsection (4)(b) of
19 this section and any moneys appropriated by the legislature for the
20 purposes of this section. The legislature must make annual
21 appropriations of the moneys in the fund to the department for
22 administering the pilot project. Any moneys in the fund not
23 appropriated must remain in the fund and may not be transferred or
24 revert to the general fund at the end of any fiscal year.

25 (6) On or before November 1, 2017, and on or before November 1st
26 each year thereafter through November 1, 2019, and in compliance with
27 RCW 43.01.036 the department must submit a report to the economic
28 development and workforce development committees of the legislature.
29 The report must include, at a minimum:

30 (a) The services offered through the pilot project's strategic
31 assistance;

32 (b) The department's expenditures on strategic assistance
33 provided to pilot project participants;

34 (c) The number and types of jobs created as a result of the pilot
35 project;

36 (d) The increased sales as a result of the pilot project; and

37 (e) The value of goods or services sold outside the company's
38 local area or state.

39 (7) The definitions in this subsection apply throughout this
40 section unless the context clearly requires otherwise.

- 1 (a) "Department" means the department of commerce.
- 2 (b) "Economic gardening" means an approach to economic growth and
3 development that emphasizes nurturing and cultivating local small
4 businesses by providing strategic assistance to second-stage
5 companies.
- 6 (c) "Key industry" means an industry critical to the Washington
7 economy, as identified by the department.
- 8 (d) "Pilot project" means the economic gardening pilot project
9 created in this section.
- 10 (e) "Second-stage company" means a privately held business that:
- 11 (i) Employs full-time at least six persons but not more than
12 ninety-nine persons;
- 13 (ii) Has maintained its principal place of business and a
14 majority of its employees in Washington for at least the previous two
15 years;
- 16 (iii) Claims at least five hundred thousand dollars but not more
17 than fifty million dollars as annual gross revenue or working
18 capital; and
- 19 (iv) Has a product or service that is, or has the potential to
20 be, sold outside the company's local area or state.
- 21 (f) "Strategic assistance" or "economic gardening strategic
22 assistance" means performing high-level database research and
23 analysis or deploying staff members certified under subsection (4) of
24 this section or possessing national expertise in the relevant
25 industry to perform market research, develop core strategies, conduct
26 business modeling, identify qualified sales leads, provide growth
27 financing referrals, perform search engine optimization, utilize
28 geographic information systems, advise on new media marketing, or
29 assist with network analyses and innovation strategies.
- 30 (8) The pilot project created in this section terminates July 1,
31 2019.
- 32 (9) This section expires July 1, 2020.

33 NEW SECTION. **Sec. 3.** If specific funding for the purposes of
34 this act, referencing this act by bill or chapter number, is not
35 provided by June 30, 2016, in the omnibus appropriations act, this
36 act is null and void.

Passed by the Senate March 8, 2016.
Passed by the House March 3, 2016.
Approved by the Governor April 1, 2016.

Filed in Office of Secretary of State April 4, 2016.