
**Innovation, Community & Economic
Development, & Veterans Committee**

HB 1806

Brief Description: Creating an exclave community small business relief program.

Sponsors: Representatives Rule, Chapman and Timmons.

Brief Summary of Bill

- Requires the Department of Commerce to implement an exclave community small business relief program to provide resources to exclave communities that have sustained economic loss due to the closure of the international border between the United States and Canada.

Hearing Date: 2/14/23

Staff: Cassie Jones (786-7303).

Background:

In general, an exclave is a portion of a country that is geographically separated from the main part by surrounding foreign territory. Washington's one exclave community, Point Roberts, is five square miles of territory located below the 49th parallel and is separated from Washington by British Columbia, Canada.

Summary of Bill:

Subject to the availability of amounts appropriated for this specific purpose, the Department of Commerce (Commerce) must develop and implement an exclave community small business relief program for the purpose of providing resources to exclave communities that have sustained economic loss due to the closure of the international border between the United States and

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Canada. Under the program, Commerce may provide grants to eligible businesses. Grant funds may be used for payroll, utilities and rent, marketing and advertising, and other operations and business expenses. Grant funds may not be used for expenses incurred outside the exclave community.

To be eligible to apply for a grant, a business must provide documentation of:

- the business's location in an exclave community and proof that the business does not operate more than 10 locations; and
- good faith certification of need, including a certification that the border closure either reduced gross receipts of the business by at least 25 percent or restricted the ability of customers to access the location of the business.

Commerce must make assistance available for an eligible business within 3 months of receiving an application. In the event that the amounts appropriated for the exclave community small business relief program are not sufficient to provide full grants to all eligible applicants that apply by October 1, 2023, Commerce must provide grants to all eligible applicants that submit applications on either a prorated basis, by establishing a maximum grant amount that ensures that all smaller eligible applicants receive full awards, or by setting an award threshold beneath which the agency will make full grants and above which grants will be prorated.

Commerce must coordinate with local economic development entities in conducting outreach to small businesses to increase awareness and understanding of the grant program. "Exclave community" is defined as a community in the United States within 75 miles of the Canadian border that is only accessible by land via Canada. Commerce may make rules to implement the grant program.

Appropriation: None.

Fiscal Note: Requested on February 8, 2023.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.