
Technology, Economic Development, & Veterans Committee

HB 1245

Brief Description: Concerning business development.

Sponsors: Representatives Couture, Walen, Fitzgibbon, Barkis, Nance, Eslick, Caldier, Timmons and Pollet.

Brief Summary of Bill

- Establishes the Office of Entrepreneurship (Office) and describes the various powers and duties of the Office.

Hearing Date: 1/22/25

Staff: Emily Poole (786-7106).

Background:

Several state agencies and offices provide resources and assistance to small businesses and entrepreneurs. These include the Department of Commerce (Commerce), the Department of Enterprise Services (DES), the Governor's Office for Regulatory Innovation and Assistance (ORIA), and the Office of Minority and Women's Business Enterprises (OMWBE).

Commerce's Small Business Training and Education Center connects entrepreneurs, start-ups, and small businesses to information and resources, including funding sources, training and technical assistance, mentorship, and education. Commerce is also required to assist women and minority-owned businesses in overcoming barriers to entrepreneurial success.

The DES provides centralized business services to state government agencies, public entities, tribal governments, and Washington residents. Among other duties, the DES is required to

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maintain records of state purchasing contracts awarded to small businesses, which are tracked in the DES's vendor registration and bid notification system. The DES is also required to give technical assistance to small businesses regarding the state bidding process and track outcomes regarding the effects of such technical assistance, including the number of small businesses that have been awarded state contracts. The DES is required to submit a report on these outcomes to the Legislature every two years.

The ORIA helps individuals navigate Washington's environmental and business regulatory systems. The ORIA's information center provides information about local, state, and federal regulatory requirements, and their consultants provide business services and support relating to permitting and regulatory issues for small businesses.

The OMWBE, among other duties, is required to encourage participation by qualified minority and women-owned and controlled businesses in public works and the state procurement process. The OMWBE is also required to maintain a central minority and women's business enterprise certification list for all state agencies and educational institutions.

Summary of Bill:

The Office of Entrepreneurship (Office) is established, which has the power and duty to:

- promote initiatives, policies, and programs supporting the entrepreneurship of businesses with fewer than 10 employees;
- work with stakeholders and organizations supporting entrepreneurship to enhance the learning and skills of, provide technical support to, and expand access to resources for entrepreneurs across the state;
- serve as a point of contact to assist businesses that have been in operation for not more than five years in their interactions with state agencies and, where appropriate, refer businesses to other state or local agencies that provide assistance to businesses; and
- identify government regulations and fees that hinder business formation in the state.

The director of the Office must be appointed by the Governor, and the Office may employ staff necessary to carry out the Office's duties. The Office may collaborate with the Department of Commerce, the Department of Enterprise Services, the Office of the Secretary of State, the Department of Veterans Affairs, the Governor's Office for Regulatory Innovation and Assistance, the Office of Minority and Women's Business Enterprises, and other relevant state agencies, which must cooperate with and assist the Office in the performance of its duties.

Beginning November 1, 2026, and biennially thereafter, the Office must submit to the Legislature a report that includes:

- the number and total dollar amount of state contracts awarded to businesses that have been in operation for not more than five years;
- the percentage of state contracts awarded to businesses that have been in operation for not more than five years;
- the number of businesses owned by women, minorities, or veterans that have been in

- operation for not more than five years and have been awarded a state contract;
- the percentage of the total dollar amount of state contracts awarded to businesses that have been in operation for not more than five years compared to the total amount of contracts awarded;
- the types of businesses that have been in operation for not more than five years and have been awarded a state contract;
- recommendations on improving access to state contracts for businesses that have been in operation for not more than five years;
- recommendations on improving overall entrepreneurship in the state; and
- any additional information deemed necessary by the Office to provide an accurate depiction of the condition of entrepreneurship in the state.

The Office is required to encourage five percent of the total number and value of state contracts to be awarded to businesses that have been in operation for not more than five years and whose principal place of business is in Washington.

Appropriation: None.

Fiscal Note: Requested on January 15, 2025.

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