

SENATE BILL REPORT

SB 5787

AS OF MARCH 4, 1991

Brief Description: Authorizing the expansion of small business financing.

SPONSORS: Senators Cantu, Owen, Metcalf, Amondson, Stratton, Bailey and Thorsness.

SENATE COMMITTEE ON COMMERCE & LABOR

Staff: Traci Anderson (786-7452)

Hearing Dates: March 5, 1991

BACKGROUND:

It is reported that small businesses experience difficulties accessing financing for start up and expansion costs.

The Department of Trade and Economic Development and the Department of Community Development currently provide information and technical assistance to those small businesses seeking additional sources of capital. In addition, these state agencies administer several federal programs which provide loans and grants to businesses. These include: the Community Development Block Grant program, the Small Business Administration program, and the Development Loan Fund.

Lending of credit restrictions in the State Constitution prevent state and local governments from providing direct support to small businesses.

SUMMARY:

The Department of Trade and Economic Development may seek to expand small business financing. The department may encourage the development of additional venture capital funds by groups of individual investors and community-based business consortia.

Appropriation: none

Revenue: none

Fiscal Note: requested February 27, 1991