

ESHB 2784 - S COMM AMD

By Committee on Economic Development

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

3 "NEW SECTION. **Sec. 1.** It is hereby declared to be the policy of
4 the state of Washington to assist in the creation and expansion of
5 innovative small commercial enterprises that produce marketable goods
6 and services through the employment of Washington residents, the use of
7 technology, and the application of best management practices. This
8 policy is to be implemented through the use of small business
9 incubators.

10 NEW SECTION. **Sec. 2.** The definitions in this section apply
11 throughout this chapter unless the context clearly requires otherwise.

12 (1) "Business incubator" means a facility that offers:

13 (a) Space for start-up and expanding firms;

14 (b) The shared use of equipment and work areas;

15 (c) Daily management support services essential to high-quality
16 commercial operations; and

17 (d) Technical assistance.

18 (2) "Qualified small business incubator" means an incubator that
19 is:

20 (a)(i) Designated as a nonprofit organization under section
21 501(c)(3) of the internal revenue code, or (ii) consists of a
22 partnership between a designated nonprofit organization under section
23 501(c)(3) of the internal revenue code and a government or quasi-
24 government agency;

25 (b) Focused on developing small businesses in an economically
26 distressed or disadvantaged area; and

27 (c) Structured around a sound business plan.

1 NEW SECTION. **Sec. 3.** (1) The small business incubator program is
2 created in the department of community, trade, and economic development
3 to provide start-up and operating assistance to qualified small
4 business incubators.

5 (2) The department shall award grants to qualified small business
6 incubator organizations for:

7 (a) Construction and equipment costs, up to a maximum of three
8 million dollars per recipient; and

9 (b) Provision of technical assistance to small businesses, up to a
10 maximum of one hundred twenty-five thousand dollars per year per
11 recipient.

12 (3) The department shall:

13 (a) Require grant recipients to have raised matching funds from
14 private, local, or federal sources in an amount at least equal to the
15 grant amount;

16 (b) Develop, in conjunction with the Washington association of
17 small business incubators, criteria for receipt of grant funds,
18 including criteria related to organizational capacity, community need,
19 and the availability of other economic development resources;

20 (c) Accept and receive grants, gifts, and pledges of funds for the
21 support of the small business incubator program, which shall be
22 deposited in the small business incubator account established in
23 section 4 of this act; and

24 (d) Integrate the promotion of small business incubators as
25 economic development tools in its strategic plan.

26 NEW SECTION. **Sec. 4.** The small business incubator account is
27 created in the custody of the state treasurer. All money received for
28 the incubator program under section 3 of this act must be deposited in
29 the account. Expenditures from the account may be used only for the
30 small business incubator program. Only the director of the department
31 of community, trade, and economic development or the director's
32 designee may authorize expenditures from the account. The account is
33 subject to the allotment procedures under chapter 43.88 RCW, but an
34 appropriation is not required for expenditures.

1 NEW SECTION. **Sec. 5.** This act may be known as the Washington
2 small business incubator and entrepreneurship assistance act of 2004.

3 NEW SECTION. **Sec. 6.** The department of community, trade, and
4 economic development shall have no duty to provide services related to
5 the small business incubator and entrepreneurship assistance act of
6 2004 unless and until the small business incubator program and related
7 administrative expenses are funded by the legislature.

8 NEW SECTION. **Sec. 7.** Sections 1 through 6 of this act constitute
9 a new chapter in Title 43 RCW."

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10 On page 1, line 1 of the title, after "program;" strike the
11 remainder of the title and insert "and adding a new chapter to Title 43
12 RCW."

EFFECT: Restructures and clarifies the bill.

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