

ESHB 2784 - S COMM AMD  
By Committee on Ways & Means

ADOPTED 03/11/2004

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.

28 NEW SECTION. **Sec. 3.** (1) The small business incubator program is

1 created in the department of community, trade, and economic development  
2 to provide start-up and operating assistance to qualified small  
3 business incubators.

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

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

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

11 (3) The department shall:

12 (a) Require a grant recipient to show that it has the resources to  
13 complete the project in a timely manner and the state grant is not the  
14 sole source of funds;

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

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

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

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

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

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

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

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

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