

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 2784

58th Legislature
2004 Regular Session

Passed by the House March 11, 2004
Yeas 89 Nays 7

Speaker of the House of Representatives

Passed by the Senate March 11, 2004
Yeas 46 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 2784** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 2784

AS AMENDED BY THE SENATE

Passed Legislature - 2004 Regular Session

State of Washington 58th Legislature 2004 Regular Session

By House Committee on Trade & Economic Development (originally sponsored by Representatives Pettigrew, Skinner, O'Brien, Conway, Hunt, Cooper, Cairnes, Eickmeyer, Jarrett, Sullivan, Kirby, G. Simpson, Ruderman, Hatfield, Moeller, Chase, Kenney, Morrell, Hudgins and Murray)

READ FIRST TIME 02/10/04.

1 AN ACT Relating to the small business incubator program; and adding
2 a new chapter to Title 43 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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

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

- 13 (1) "Business incubator" means a facility that offers:
14 (a) Space for start-up and expanding firms;
15 (b) The shared use of equipment and work areas;
16 (c) Daily management support services essential to high-quality
17 commercial operations; and
18 (d) Technical assistance.

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

3 (a)(i) Designated as a nonprofit organization under section
4 501(c)(3) of the internal revenue code, or (ii) consists of a
5 partnership between a designated nonprofit organization under section
6 501(c)(3) of the internal revenue code and a government or quasi-
7 government agency;

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

10 (c) Structured around a sound business plan.

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

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

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

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

22 (3) The department shall:

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

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

30 (c) Accept and receive grants, gifts, and pledges of funds for the
31 support of the small business incubator program, which shall be
32 deposited in the small business incubator account established in
33 section 4 of this act; and

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

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

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

12 NEW SECTION. **Sec. 6.** The department of community, trade, and
13 economic development shall have no duty to provide services related to
14 the small business incubator and entrepreneurship assistance act of
15 2004 unless and until the small business incubator program and related
16 administrative expenses are funded by the legislature.

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

--- END ---