
SENATE BILL 5755

State of Washington

59th Legislature

2005 Regular Session

By Senators Sheldon, Shin and Delvin

Read first time 02/04/2005. Referred to Committee on International Trade & Economic Development.

1 AN ACT Relating to the small business incubator program; and
2 amending RCW 43.176.010, 43.176.020, and 43.176.030.

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

4 **Sec. 1.** RCW 43.176.010 and 2004 c 237 s 1 are each amended to read
5 as follows:

6 It is hereby declared to be the policy of the state of Washington
7 to assist in the creation and expansion of innovative small commercial
8 enterprises that produce marketable goods and services through the
9 employment of Washington residents, the use of technology, and the
10 application of best management practices. This policy is to be
11 implemented through the use of small business incubators with small
12 business incubation programs.

13 **Sec. 2.** RCW 43.176.020 and 2004 c 237 s 2 are each amended to read
14 as follows:

15 The definitions in this section apply throughout this chapter
16 unless the context clearly requires otherwise.

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

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

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

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

4 (d) Technical assistance.

5 (2)(a) "Business incubation program" means an economic and social
6 development process designed to advise potential startup companies and,
7 through a comprehensive business assistance program, help them
8 establish and accelerate their growth and success. The main goal of
9 the program is to produce successful businesses that will leave the
10 program in a timely manner, financially viable, and freestanding.
11 These graduates create jobs, revitalize communities, commercialize new
12 technologies, and create wealth for local and national economies.

13 (b) "Qualified small business incubator program" means ((an
14 incubator)) a program that is:

15 ((+a)) (i) (A) Designated as a nonprofit organization under section
16 501(c)(3) of the internal revenue code, or ((+ii)) (B) consists of a
17 partnership between a designated nonprofit organization under section
18 501(c)(3) of the internal revenue code and a government or quasi-
19 government agency;

20 ((+b) Focused on developing small businesses in an economically
21 distressed or disadvantaged area)) (ii) Certified by the Washington
22 association of small business incubators; ((and

23 +e)) (iii) Structured around a sound business plan which include
24 the following criteria:

25 (A) Affordability. The incubator program can be supported through
26 available funding sources and is affordable for the businesses proposed
27 to be served;

28 (B) Quality. The incubator program provides support services and
29 facilities at a high level of quality that reflects well on the
30 community as a whole;

31 (C) Sustainability. The incubator program will generate a
32 continuing stream of incubator clients that will graduate as successful
33 businesses from the incubator program and permanently locate within the
34 region;

35 (D) Efficiency. The incubator program provides facilities and
36 programs that are efficient and cost-effective and that continue to
37 operate within the financial resources available; and

