

2SSB 5652 - H COMM AMD

By Committee on Appropriations

ADOPTED AND ENGROSSED 04/09/2007

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

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that:

4 (a) Microenterprises are an important portion of Washington's  
5 economy, providing approximately twenty percent of the employment in  
6 Washington and playing a vital role in job creation.

7 (b) While community-based microenterprise development organizations  
8 have expanded their assistance to their microentrepreneur customers in  
9 recent years, there remains a lack of access to capital, training, and  
10 technical assistance for low-income microentrepreneurs.

11 (c) Support for microenterprise development offers a means to  
12 expand business and job creation in low-income communities in both  
13 rural and urban areas of the state.

14 (d) Local and state charitable foundation support, federal program  
15 funding, and private sector support can be leveraged by a statewide  
16 program for development of microenterprises.

17 (2) It is the purpose of this act to assist microenterprises in job  
18 creation by increasing the training, technical assistance, and  
19 financial resources available to microenterprises. It is the intention  
20 of the legislature to carry out this purpose by enabling the department  
21 of community, trade, and economic development to contract with a  
22 statewide microenterprise association with the potential to provide  
23 organizational support and administer grants to local microenterprise  
24 development organizations, subject to the requirements of this act, and  
25 to leverage additional funds from sources other than moneys  
26 appropriated from the general fund.

27 **Sec. 2.** RCW 43.330.010 and 1993 c 280 s 3 are each amended to read  
28 as follows:

1 Unless the context clearly requires otherwise, the definitions in  
2 this section apply throughout this chapter.

3 (1) "Associate development organization" means a local economic  
4 development nonprofit corporation that is broadly representative of  
5 community interests.

6 (2) "Department" means the department of community, trade, and  
7 economic development.

8 (3) "Director" means the director of the department of community,  
9 trade, and economic development.

10 (4) "Financial institution" means a bank, trust company, mutual  
11 savings bank, savings and loan association, or credit union authorized  
12 to do business in this state under state or federal law.

13 (5) "Microenterprise development organization" means a community  
14 development corporation, a nonprofit development organization, a  
15 nonprofit social services organization or other locally operated  
16 nonprofit entity that provides services to low-income entrepreneurs.

17 (6) "Statewide microenterprise association" means a nonprofit  
18 entity with microenterprise development organizations as members that  
19 serves as an intermediary between the department of community, trade,  
20 and economic development and local microenterprise development  
21 organizations.

22 NEW SECTION. Sec. 3. A new section is added to chapter 43.330 RCW  
23 to read as follows:

24 The microenterprise development program is established in the  
25 department of community, trade, and economic development. In  
26 implementing the program, the department:

27 (1) Shall provide organizational support to a statewide  
28 microenterprise association and shall contract with the association for  
29 the delivery of services and distribution of grants;

30 (a) The association shall serve as the department's agent in  
31 carrying out the purpose and service delivery requirements of this  
32 section;

33 (b) The association's contract with the department shall specify  
34 that in administering the funds provided for under subsection (3) of  
35 this section, the association may use no greater than ten percent of  
36 the funds to cover administrative expenses;

1 (2) Shall provide funds for capacity building for the statewide  
2 microenterprise association and microenterprise development  
3 organizations throughout the state;

4 (3) Shall provide grants to microenterprise development  
5 organizations for the delivery of training and technical assistance  
6 services;

7 (4) Shall identify and facilitate the availability of state,  
8 federal, and private sources of funds which may enhance microenterprise  
9 development in the state;

10 (5) Shall develop with the statewide microenterprise association  
11 criteria for the distribution of grants to microenterprise development  
12 organizations. Such criteria may include:

13 (a) The geographic representation of all regions of the state,  
14 including both urban and rural communities;

15 (b) The ability of the microenterprise development organization to  
16 provide business development services in low-income communities;

17 (c) The scope of services offered by a microenterprise development  
18 organization and their efficiency in delivery of such services;

19 (d) The ability of the microenterprise development organization to  
20 monitor the progress of its customers and identify technical and  
21 financial assistance needs;

22 (e) The ability of the microenterprise development organization to  
23 work with other organizations, public entities, and financial  
24 institutions to meet the technical and financial assistance needs of  
25 its customers;

26 (f) The sufficiency of operating funds for the microenterprise  
27 development organization; and

28 (g) Such other criteria as agreed by the department and the  
29 association;

30 (6) Shall require the statewide microenterprise association and any  
31 microenterprise development organization receiving funds through the  
32 microenterprise development program to raise and contribute to the  
33 effort funded by the microenterprise development program an amount  
34 equal to twenty-five percent of the microenterprise development program  
35 funds received. Such matching funds may come from private foundations,  
36 federal or local sources, financial institutions, or any other source  
37 other than funds appropriated from the legislature;

1           (7) Shall require under its contract with the statewide  
2 microenterprise association an annual accounting of program outcomes,  
3 including job creation, access to capital, leveraging of nonstate  
4 funds, and other outcome measures specified by the department. By  
5 January 1, 2012, the joint legislative audit and review committee shall  
6 use these outcome data and other relevant information to evaluate the  
7 program's effectiveness; and

8           (8) May adopt rules as necessary to implement this section.

9           NEW SECTION. **Sec. 4.** If specific funding for the purposes of this  
10 act, referencing this act by bill or chapter number, is not provided by  
11 June 30, 2007, in the omnibus appropriations act, this act is null and  
12 void."

13           Correct the title.

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