

FINAL BILL REPORT

2SSB 5652

C 322 L 07
Synopsis as Enacted

Brief Description: Establishing the microenterprise development program.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Kauffman, Kastama, Kilmer, Brown, Berkey, Rockefeller, Keiser and Shin).

Senate Committee on Economic Development, Trade & Management

Senate Committee on Ways & Means

House Committee on Community & Economic Development & Trade

House Committee on Appropriations

Background: A microenterprise is commonly understood to be a business with five or fewer employees, with start-up capital needs of \$35,000 or less, and without access to traditional commercial loans. Most microenterprises are sole-proprietorships, creating employment for the owner and often other family members. Some grow large enough to employ other members of the community.

Microenterprise development refers to the process by which entrepreneurs start and grow their businesses. Microenterprise development programs provide business development services to individuals currently operating or interested in starting a microenterprise.

Approximately 20 organizations operate microenterprise development programs in Washington; they offer a variety of microenterprise services and are at various stages of sophistication and organizational development. Governmental funding for microenterprise development programs is available in most states.

Summary: The Microenterprise Development Program is established in the Department of Community, Trade and Economic Development. The department is to provide organizational support to a statewide microenterprise association and contract with it for the delivery of capacity building services to microenterprise development organizations as well as grants for technical assistance and training to microentrepreneurs. The department is also to identify other sources of funds for microenterprise development and develop criteria for the distribution of grants.

The statewide microenterprise assistance association and microenterprise development organizations receiving funds must garner matching funds from foundations, financial institutions, or other sources. The statewide microenterprise assistance association may use no greater than 10 percent of state funds to cover administrative expenses and must provide the department with an annual accounting and report on outcomes. The Joint Legislative Audit and Review Committee is to use outcome data to evaluate the program's effectiveness by January 1, 2012.

Votes on Final Passage:

Senate	49	0	
House	83	15	(House amended)
Senate	45	0	(Senate concurred)

Effective: July 22, 2007