

SSB 5723 - H COMM AMD

By Committee on Community & Economic Development & Trade

NOT CONSIDERED 04/14/2009

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

3 "Sec. 1. RCW 28B.30.530 and 1984 c 77 s 1 are each amended to read
4 as follows:

5 (1) The board of regents of Washington State University shall
6 establish the Washington State University small business development
7 center.

8 (2) The center shall provide management and technical assistance
9 including but not limited to training, counseling, and research
10 services to small businesses throughout the state. The center shall
11 work with (~~public and private community development and economic~~
12 ~~assistance agencies and shall work towards the goal of coordinating~~
13 ~~activities with such agencies to avoid duplication of services~~) the
14 department of community, trade, and economic development, the state
15 board for community and technical colleges, the higher education
16 coordinating board, the workforce training and education coordinating
17 board, the employment security department, the Washington state
18 economic development commission, associate development organizations,
19 and workforce development councils to:

20 (a) Integrate small business development centers with other state
21 and local economic development and workforce development programs;

22 (b) Target the centers' services to small businesses as defined in
23 subsection (5) of this section;

24 (c) Tailor outreach and services at each center to the needs and
25 demographics of entrepreneurs and small businesses located within the
26 service area;

27 (d) Establish and expand small business development center
28 satellite offices when financially feasible; and

29 (e) Coordinate delivery of services to meet needs and avoid
30 duplication.

1 (3) The administrator of the center may contract with other public
2 or private entities for the provision of specialized services.

3 (4) The small business and development center may accept and
4 disburse federal grants or federal matching funds or other funds or
5 donations from any source when made, granted, or donated to carry out
6 the center's purposes. Small business development center satellite
7 offices may solicit and accept cash and in-kind contributions from
8 public and private sources, including banks, to support their services.

9 (5) For the purposes of this section, "small business" means an in-
10 state business, including a sole proprietorship, corporation,
11 partnership, or other legal entity, that is owned and operated
12 independently from all other businesses and has either (a) fifty or
13 fewer employees, or (b) a gross revenue of less than seven million
14 dollars annually as reported on its most recent federal income tax
15 return or its return filed with the department of revenue. As used in
16 this definition, "in-state business" means a business that has its
17 principal office located in Washington and its officers domiciled in
18 Washington.

19 (6) By December 1, 2009, the center shall provide a written report
20 to the appropriate committees of the legislature on:

21 (a) Progress made with respect to the requirements in subsection
22 (2) of this section; and

23 (b) New resources received by satellite offices as a result of the
24 fund-raising authority provided in subsection (4) of this section.

25 **Sec. 2.** RCW 30.60.010 and 2008 c 240 s 1 are each amended to read
26 as follows:

27 (1) In conducting an examination of a bank chartered under Title 30
28 RCW, the director shall investigate and assess the record of
29 performance of the bank in meeting the credit needs of the bank's
30 entire community, including low and moderate-income neighborhoods. The
31 director shall accept, in lieu of an investigation or part of an
32 investigation required by this section, any report or document that the
33 bank is required to prepare or file with one or more federal agencies
34 by the act of Congress entitled the "Community Reinvestment Act of
35 1977" and the regulations promulgated in accordance with that act, to
36 the extent such reports or documents assist the director in making an

1 assessment based upon the factors outlined in subsection (2) of this
2 section.

3 (2) In making an investigation required under subsection (1) of
4 this section, the director shall consider, independent of any federal
5 determination, the following factors in assessing the bank's record of
6 performance:

7 (a) Activities conducted by the institution to ascertain credit
8 needs of its community, including the extent of the institution's
9 efforts to communicate with members of its community regarding the
10 credit services being provided by the institution;

11 (b) The extent of the institution's marketing and special credit
12 related programs to make members of the community aware of the credit
13 services offered by the institution;

14 (c) The extent of participation by the institution's board of
15 directors in formulating the institution's policies and reviewing its
16 performance with respect to the purposes of the Community Reinvestment
17 Act of 1977;

18 (d) Any practices intended to discourage applications for types of
19 credit set forth in the institution's community reinvestment act
20 statement(s);

21 (e) The geographic distribution of the institution's credit
22 extensions, credit applications, and credit denials;

23 (f) Evidence of prohibited discriminatory or other illegal credit
24 practices;

25 (g) The institution's record of opening and closing offices and
26 providing services at offices;

27 (h) The institution's participation, including investments, in
28 local community and microenterprise development projects;

29 (i) The institution's origination of residential mortgage loans,
30 housing rehabilitation loans, home improvement loans, and small
31 business or small farm loans within its community, or the purchase of
32 such loans originated in its community;

33 (j) The institution's participation in governmentally insured,
34 guaranteed, or subsidized loan programs for housing, small businesses,
35 or small farms;

36 (k) The institution's ability to meet various community credit
37 needs based on its financial condition, size, legal impediments, local
38 economic condition, and other factors;

1 (1) The institution's contribution of cash or in-kind support to
2 local or statewide organizations that provide counseling, training,
3 financing, or other services to in-state small businesses; and

4 (m) Other factors that, in the judgment of the director, reasonably
5 bear upon the extent to which an institution is helping to meet the
6 credit needs of its entire community.

7 (3) The director shall include as part of the examination report,
8 a summary of the results of the assessment required under subsection
9 (1) of this section and shall assign annually to each bank a numerical
10 community reinvestment rating based on a one through five scoring
11 system. Such numerical scores shall represent performance assessments
12 as follows:

- | | | |
|----|-------------------------------|----|
| 13 | (a) Excellent performance: | 1 |
| 14 | (b) Good performance: | 2 |
| 15 | (c) Satisfactory performance: | 3 |
| 16 | (d) Inadequate performance: | 4 |
| 17 | (e) Poor performance: | 5" |

18 Correct the title.

EFFECT: Requires the SBDC to work with specified state and local organizations to: Integrate and coordinate SBDC services; target SBDC services to in-state small businesses with fewer than 50 employees or less than \$7 million in annual gross income; tailor each center's outreach and services to local needs and demographics; and establish or expand satellite offices when financially feasible. Authorizes satellite offices to solicit and accept contributions from public and private sources, including banks, but does not establish a new Business Assistance Account in the custody of the State Treasury. Adds bank contributions made to local or statewide business assistance organizations to a list of factors that can be considered in Community Reinvestment Act assessments. Requires the SBDC to submit a progress report to appropriate legislative committees by December 1, 2009.

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