

SENATE BILL REPORT

SB 5723

As of February 5, 2009

Title: An act relating to providing support for small business assistance.

Brief Description: Providing support for small business assistance.

Sponsors: Senators Kastama, Shin and Swecker.

Brief History:

Committee Activity: Economic Development, Trade & Innovation: 2/04/09.

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Staff: Jack Brummel (786-7428)

Background: The Washington Small Business Development Center (SBDC) provides assistance, training, and support services to small businesses and entrepreneurs. The SBDC currently operates with federal funds and some state funds. The SBDC charges a nominal fee for a few training services.

Washington's Community Credit Needs Act, patterned after the federal Community Reinvestment Act (CRA), is intended to encourage depository institutions to help meet the credit needs of the communities in which they operate. Under both laws, a depository institution's record in helping meet the credit needs of its entire community is evaluated periodically based on the institution's filed statements. CRA examinations are conducted by the federal agencies that are responsible for supervising depository institutions. For state chartered banks, state law sets forth 11 specific criteria, independent of any federal determination, for the Director of the Department of Financial Institutions to use in assessing a bank's record of performance in meeting community credit needs.

Most businesses subject to state excise taxes must apply for and obtain a registration certificate. About 80,000 new businesses obtain a registration certificate each year.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Proposed First Substitute): The SBDC will work with other state organizations to integrate small business development centers with other state economic development and work force development programs. The SBDC will also encourage the

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development of inter-institutional entrepreneurial education, training, and assistance programs.

For state chartered banks, sponsorship of SBDC offices and small business assistance services must be considered in assessing the bank's performance in meeting community credit needs.

The Business Assistance Account is created in the state treasury to be used for the expansion of business assistance services delivered by the SBDC. New businesses applying for a registration certificate with the state must pay a \$5 business assistance fee which is to be deposited in the business assistance account.

Appropriation: None.

Fiscal Note: Requested on February 2, 2009.
[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.