

SENATE BILL REPORT

SB 6669

As of February 6, 2010

Title: An act relating to the small business development center.

Brief Description: Concerning the small business development center.

Sponsors: Senators Kastama, Kauffman and Shin.

Brief History:

Committee Activity: Economic Development, Trade & Innovation: 1/21/10, 2/01/10, 2/03/10, 2/04/10, 2/05/10 [DPS-WM, w/oRec].

Ways & Means: 2/8/10.

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Majority Report: That Substitute Senate Bill No. 6669 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Kastama, Chair; Shin, Vice Chair; Delvin and Eide.

Minority Report: That it be referred without recommendation.

Signed by Senators Zarelli, Ranking Minority Member; McCaslin.

Staff: Jack Brummel (786-7428)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Richard Ramsey (786-7412)

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.

The Business Assistance Account was created in the state treasury to be used for the expansion of business assistance services delivered by the SBDC, but it was not funded.

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.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill (Recommended Substitute): In using funds from the Business Assistance Account, SBDC must give priority to the expansion of its existing services to start-up businesses and may also use funds to develop and provide new training, planning, counseling, and technical assistance services.

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.

EFFECT OF CHANGES MADE BY ECONOMIC DEVELOPMENT, TRADE & INNOVATION COMMITTEE (Recommended Substitute): Proper distribution of on-time business assistance fee is ensured.

Appropriation: None.

Fiscal Note: Available.

[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.

Staff Summary of Public Testimony on Original Bill (Economic Development, Trade & Innovation): PRO: The SBDC helps hundreds of businesses survive and thrive. We need to keep the SBDC alive. Local businesses ask for more business assistance services. There is a large number of businesses for which the SBDC makes a big difference. The economic returns of supporting small businesses are high. This bill will allow the SBDC to leverage federal dollars.

OTHER: Small businesses are struggling. They account for about 45 percent of private sector jobs. Small businesses don't see the state as having anything to help them. The SBDC should do seminars with the Department of Labor and Industries on how to survive. We would like to see the SBDC do more with what they have.

Persons Testifying (Economic Development, Trade & Innovation): PRO: Greg Taylor, Renton City Council; Doug Levy, Federal Way, Renton, Kent; John Gardner, WSU.

OTHER: Gary Smith, Independent Business Association.