

# SENATE BILL REPORT

## SB 6547

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As Reported by Senate Committee On:  
Economic Development, Trade & Innovation, February 1, 2012

**Title:** An act relating to the microenterprise development program.

**Brief Description:** Regarding the microenterprise development program.

**Sponsors:** Senators Pridemore and Shin; by request of Washington State Department of Commerce.

**Brief History:**

**Committee Activity:** Economic Development, Trade & Innovation: 2/01/12 [DPS].

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### SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

**Majority Report:** That Substitute Senate Bill No. 6547 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kastama, Chair; Chase, Vice Chair; Hatfield, Kilmer and Shin.

**Staff:** Jack Brummel (786-7428)

**Background:** The Legislature established the Microenterprise Development Program in the Department of Commerce (Commerce). Under the terms of the statute creating the program, Commerce 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, and
- grants for technical assistance and training to microentrepreneurs.

Commerce is also to identify other sources of funds for microenterprise development and develop criteria for the distribution of grants. The statewide Microenterprise Assistance Association may use no greater than 10 percent of state funds to cover administrative expenses and must provide Commerce with an annual accounting and report on outcomes.

Commerce provided organizational support for three years but, as budget cuts were implemented, cut funding for that support rather than making larger cuts to the funds available for grants. The 2007 legislation required the Joint Legislative Audit and Review Committee (JLARC) to evaluate the program. JLARC issued an evaluative report on January

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*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.*

11, 2012, with a recommendation that Commerce comply with the statute and provide organizational support to the Washington State Microenterprise Association.

**Summary of Bill (Recommended Substitute):** Commerce provides organizational support to a statewide microenterprise association to the extent funds are appropriated for such support. JLARC's obligation to do an evaluation by January 1, 2012, is deleted.

**EFFECT OF CHANGES MADE BY ECONOMIC DEVELOPMENT, TRADE & INNOVATION COMMITTEE (Recommended Substitute):** Commerce provides organizational support to a statewide microenterprise association to the extent funds are appropriated. Removes JLARC's obligation to do an evaluation by January 1, 2012.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**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:** PRO: Agencies don't have the ability to simply not obey statutes. They must come back to the Legislature and request amendments to statutes if they want to do something other than what they are directed to do. Commerce faced a choice with budget cuts and decided providing funds at the ground level was most important. Great strides have been made in meeting the obligations of the legislation. When Commerce was supporting development, great things happened. It would be good for Commerce to integrate the microenterprise program with all the other economic development programs. The JLARC study requirement should be removed from the statute since it has been completed.

**Persons Testifying:** PRO: Senator Pridemore, prime sponsor; Nick Demerice, Commerce; Teresa Lemmons, WA State Microenterprise Assn.; Lisa Smith, Enterprise for Equity.