

SB 6100 - S AMD 651
By Senator Chase

ADOPTED 02/17/2016

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

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that:

4 (a) Washington's unemployment rate during the recent recession
5 created economic and social hardships for the people of the state;

6 (b) Local start-up companies and small businesses are likely, as
7 they grow, to remain in their communities of origin, thereby creating
8 local jobs and an economic multiplier effect with their payrolls and
9 taxes while providing local economic stimuli, which increases the
10 local tax base;

11 (c) Statewide economic prosperity and job creation are advanced
12 significantly by creating, promoting, and retaining local start-up
13 companies and small businesses with high growth potential;

14 (d) Entrepreneurs and small business owners of second-stage
15 companies, which are those companies that are beyond the start-up
16 stage but have not yet fully matured, with innovative products or
17 services that satisfy market needs, have particular potential for
18 expansion and job creation;

19 (e) Such entrepreneurs and owners can benefit from specialized
20 business assistance to refine core strategies and from access to in-
21 depth market research, competitor analyses, geographic information
22 systems, search engine optimization, and other strategic information,
23 as well as from relationships with mentors and advisers;

24 (f) The aspects of economic gardening that incorporate these
25 principles have proven successful in improving the entrepreneurial
26 process and promoting economically sustainable local businesses; and

27 (g) It is important to the overall health and growth of the
28 state's economy to promote favorable conditions for those expanding
29 Washington businesses that demonstrate the ability to grow.

30 (2) In recognition of the foregoing findings and principles, it
31 is the intent of the legislature to create a Washington economic
32 gardening pilot project in the department of commerce.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.31
2 RCW to read as follows:

3 (1) There is hereby created within the department the economic
4 gardening pilot project. The purpose of the pilot project is to
5 stimulate Washington's economy and create good-paying, sustainable
6 jobs by providing economic gardening strategic assistance services to
7 second-stage companies in accordance with this section.

8 (2) The department must oversee and direct all resources for the
9 execution of the pilot project. The department must work with
10 chambers of commerce, associate development organizations, or other
11 economic development organizations to implement the pilot project.
12 The pilot project includes developing the processes for qualifying
13 and selecting second-stage companies, identifying training components
14 for economic development organizations implementing the pilot
15 project, engaging trained and certified economic gardening private
16 contractors as necessary, and providing economic gardening strategic
17 assistance to companies participating in the pilot project.

18 (3)(a) On or before January 1, 2017, the department must initiate
19 a program to provide or obtain all necessary credentials for high-
20 impact strategic assistance for the economic development
21 organizations participating in the pilot project.

22 (b) Prior to the date that strategic assistance is provided
23 pursuant to this subsection (3):

24 (i) Economic development organizations participating in the pilot
25 project must be certified in economic gardening by a nationally
26 recognized certifying entity identified by the department; and

27 (ii) The department or economic development organizations
28 participating in the pilot project must, as necessary, contract with
29 trained and certified economic gardening private contractors.

30 (c) After pilot project staff members are certified under (b) of
31 this subsection, the department must use the existing infrastructure
32 of economic development organizations to promote the pilot project to
33 second-stage companies and to those clients and referrals that show
34 growth potential in jobs, sales, or export potential.

35 (4)(a) On or before January 1, 2017, the department and
36 participating economic development organizations must publish
37 criteria for a second-stage company to be selected to participate in
38 the pilot project. The criteria must include job growth potential,
39 sustainability, export potential, and a workforce comprised of at
40 least fifty percent Washington residents. Application criteria must

1 also include requirements for data collection, as specified by the
2 department, to show the impacts of services provided through the
3 pilot project. The department and participating economic development
4 organizations must identify second-stage companies eligible to
5 participate by utilizing existing strategic infrastructure and by
6 consulting with local and regional economic development partners,
7 such as chambers of commerce associate development organizations, and
8 other local or regional economic development entities.

9 (b) In order to participate in the pilot project, a company
10 selected for participation must pay a one-time fee of seven hundred
11 fifty dollars, which moneys must be deposited into the economic
12 gardening pilot project fund, created in subsection (5) of this
13 section, for reinvestment in the pilot project.

14 (c) On or before March 1, 2017, the department and participating
15 economic development organizations must select a minimum of twenty
16 companies to participate in the pilot project.

17 (d) The department must oversee staff members certified pursuant
18 to (b) of this subsection or certified private contractors to deploy
19 strategic assistance to all pilot project participants. The
20 department and participating economic development organizations must
21 acquire any tools necessary to provide the strategic assistance,
22 including database licenses, permits, and economic gardening
23 certification.

24 (e) A participating company has twelve months from the date that
25 the department and participating economic development organizations
26 select the company to participate in the pilot project to use the
27 strategic assistance and other economic gardening services offered
28 pursuant to the pilot project.

29 (5) There is hereby created in the state treasury the economic
30 gardening pilot project fund, to be administered by the department.
31 The fund consists of all fees received under subsection (4)(b) of
32 this section and any moneys appropriated by the legislature for the
33 purposes of this section. The legislature must make annual
34 appropriations of the moneys in the fund to the department for
35 administering the pilot project. Any moneys in the fund not
36 appropriated must remain in the fund and may not be transferred or
37 revert to the general fund at the end of any fiscal year.

38 (6) On or before November 1, 2017, and on or before November 1st
39 each year thereafter through November 1, 2019, and in compliance with
40 RCW 43.01.036 the department must submit a report to the economic and

1 workforce development committees of the legislature. The report must
2 include, at a minimum:

3 (a) The services offered through the pilot project's strategic
4 assistance;

5 (b) The department's expenditures on strategic assistance
6 provided to pilot project participants;

7 (c) The number and types of jobs created as a result of the pilot
8 project;

9 (d) The increased sales as a result of the pilot project; and

10 (e) The value of goods or services sold outside the company's
11 local area or state.

12 (7) The following definitions apply throughout this section
13 unless the context clearly requires otherwise.

14 (a) "Department" means the department of commerce.

15 (b) "Economic gardening" means an approach to economic growth and
16 development that emphasizes nurturing and cultivating local small
17 businesses by providing strategic assistance to second-stage
18 companies.

19 (c) "Key industry" means an industry critical to the Washington
20 economy, as identified by the department.

21 (d) "Pilot project" means the economic gardening pilot project
22 created in this section.

23 (e) "Second-stage company" means a privately held business that:

24 (i) Employs full-time at least six persons but not more than
25 ninety-nine persons;

26 (ii) Has maintained its principal place of business and a
27 majority of its employees in Washington for at least the previous two
28 years;

29 (iii) Claims at least five hundred thousand dollars but not more
30 than fifty million dollars as annual gross revenue or working
31 capital; and

32 (iv) Has a product or service that is, or has the potential to
33 be, sold outside the company's local area or state.

34 (f) "Strategic assistance" or "economic gardening strategic
35 assistance" means performing high-level consulting or database
36 research and analysis or the deployment of staff members certified
37 under subsection (4) of this section to perform market research,
38 develop core strategies, conduct business modeling, identify
39 qualified sales leads, provide growth financing referrals, perform
40 search engine optimization, utilize geographic information systems,

1 advise on new media marketing, or assist with network analyses and
2 innovation strategies.

3 (8) The pilot project created in this section terminates July 1,
4 2019.

5 (9) This section expires July 1, 2020."

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6 On page 1, line 2 of the title, after "program;" strike the
7 remainder of the title and insert "adding a new section to chapter
8 43.31 RCW; creating a new section; and providing an expiration date."

EFFECT: Authorizes the Department of Commerce to implement the economic gardening pilot program through chambers of commerce, associate development organizations, or other economic development entities. Updates implementation dates for initiating and terminating the pilot program.

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