

SHB 1957 - S COMM AMD

By Committee on Business, Financial Services & Trade

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

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that for small
4 businesses impacted by destructive weather events and other natural
5 or other comparable disasters, financial relief and recovery
6 resources are often necessary for survival. Many small businesses
7 that close due to a disaster will never reopen or will close
8 permanently after two years.

9 (2) The legislature further finds that disaster aid is critical
10 to small businesses that may need financing yet struggle with
11 accessing capital due to lack of financial documentation, lack of
12 collateral, credit issues, or being perceived as not bankable. After
13 a disaster, small businesses may deplete savings, borrow from family
14 or friends, take out second mortgages, or grow credit card debt to
15 stay afloat.

16 (3) The legislature further finds that short-term aid, or gap
17 funding, would help retain businesses, jobs, and community resilience
18 while businesses await longer-term financing after a disaster.

19 (4) Therefore, the legislature intends to establish a grant
20 program to provide financial assistance to small businesses in the
21 immediate aftermath of a disaster.

22 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.330
23 RCW to read as follows:

24 (1) Subject to the availability of amounts appropriated for this
25 specific purpose, the department must develop and implement a small
26 business disaster recovery financial assistance program for the
27 purpose of providing resources to small businesses that have
28 sustained physical damage or economic loss due to a natural or other
29 comparable disaster.

30 (2) Under the program, the department may provide grants to
31 eligible businesses. Grant funds may be used for payroll, utilities

1 and rent, marketing and advertising, building improvements or
2 repairs, replacing damaged inventory and equipment, and other
3 operations and business expenses.

4 (3) In order to be eligible to apply for a grant under this
5 section, a business must provide documentation of:

6 (a) Annual gross receipts of \$5,000,000 or less; and

7 (b) A reduction in business income or activity as a result of a
8 natural disaster such as a flood, earthquake, or wildfire, or a
9 comparable disaster such as major utility disruptions resulting in
10 property damage or prolonged outages.

11 (4) Eligible businesses may receive up to a \$75,000 grant from
12 the program.

13 (5) The department must make assistance available for an eligible
14 business within three months of receiving an application.

15 (6) The department must coordinate with local economic
16 development entities in conducting outreach to small businesses in
17 order to increase awareness and understanding of the small business
18 disaster recovery financial assistance program.

19 (7) The department may make rules to implement this section."

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20 On page 1, line 2 of the title, after "program;" strike the
21 remainder of the title and insert "adding a new section to chapter
22 43.330 RCW; and creating a new section."

EFFECT: Limits the grant award size to \$75,000 for grants awarded through the small business disaster recovery financial assistance program administered by the Department of Commerce.

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