
Appropriations Committee

HB 1957

Brief Description: Establishing a small business disaster recovery financial assistance program.

Sponsors: Representatives Rule, Walen, Chapman, Santos, Simmons, Ramel, Johnson, J., Riccelli, Frame, Ormsby and Harris-Talley.

Brief Summary of Bill

- Establishes a Small Business Disaster Recovery Financial Assistance Program at the Department of Commerce (Commerce) to provide financial assistance to small businesses that have sustained physical damage or economic loss due to a natural disaster.

Hearing Date:

Staff: Jessica Van Horne (786-7288).

Background:

The Department of Commerce (Commerce) serves as the state agency responsible for supporting and promoting economic development throughout the state. Among its economic development programs, Commerce offers technical assistance to small businesses in areas such as business start-up processes, business operations, retirement benefits, and trade and exports. Commerce also administers several capital assistance programs for small businesses, including the federally funded State Small Business Credit Initiative.

Commerce has also administered several small business financial assistance programs authorized in early action legislation adopted during the 2021 Legislative Session and the 2021 Operating Budget. The largest of these programs is the Working Washington Grant program, which provides grants to small businesses that experienced a loss in revenue or had to temporarily

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cease operations due to the COVID-19 pandemic or state or local actions in response to the pandemic. Grant funds can support costs such as rent and utilities, payroll, workplace upgrades to adhere to new safety or sanitation standards, securing inventory and supplies, and other operational costs.

Summary of Bill:

The Small Business Disaster Recovery Financial Assistance Program (Program) is created in Commerce to aid small businesses that have sustained physical damage or economic loss due to a natural disaster, subject to appropriation. Examples of natural disasters include floods, earthquakes, and wildfires. Financial assistance may be used for rent and utilities, payroll, building improvements or repairs, marketing and advertising, replacing damaged inventory or equipment, and other operational and business expenses.

To receive assistance through the Program, a business must provide documentation that they have annual gross receipts of \$5,000,000 or less and have experienced a reduction in business income or activity due to a natural disaster. Commerce must make assistance available for an eligible business within three months of receiving their application.

Commerce must consult with local economic development entities to conduct program outreach to small businesses. Commerce may conduct rulemaking to implement the Program.

Appropriation: None.

Fiscal Note: Requested on January 12, 2022.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.