

---

**SUBSTITUTE HOUSE BILL 1957**

---

**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** House Appropriations (originally sponsored by Representatives Rule, Walen, Chapman, Santos, Simmons, Ramel, J. Johnson, Riccelli, Frame, Ormsby, and Harris-Talley)

READ FIRST TIME 01/31/22.

1 AN ACT Relating to establishing a small business disaster  
2 recovery financial assistance program; adding a new section to  
3 chapter 43.330 RCW; and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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

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

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

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

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

6 (1) Subject to the availability of amounts appropriated for this  
7 specific purpose, the department must develop and implement a small  
8 business disaster recovery financial assistance program for the  
9 purpose of providing resources to small businesses that have  
10 sustained physical damage or economic loss due to a natural or other  
11 comparable disaster.

12 (2) Under the program, the department may provide grants to  
13 eligible businesses. Grant funds may be used for payroll, utilities  
14 and rent, marketing and advertising, building improvements or  
15 repairs, replacing damaged inventory and equipment, and other  
16 operations and business expenses.

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

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

20 (b) A reduction in business income or activity as a result of a  
21 natural disaster such as a flood, earthquake, or wildfire, or a  
22 comparable disaster such as major utility disruptions resulting in  
23 property damage or prolonged outages.

24 (4) The department must make assistance available for an eligible  
25 business within three months of receiving an application.

26 (5) The department must coordinate with local economic  
27 development entities in conducting outreach to small businesses in  
28 order to increase awareness and understanding of the small business  
29 disaster recovery financial assistance program.

30 (6) The department may make rules to implement this section.

--- END ---