
HOUSE BILL 1957

State of Washington

67th Legislature

2022 Regular Session

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

Read first time 01/12/22. Referred to Committee on Appropriations.

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 disasters, financial relief and recovery resources are often
8 necessary for survival. Many small businesses that close due to a
9 disaster will never reopen or will close permanently after two years.

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

17 (3) The legislature further finds that short-term aid, or gap
18 funding, would help retain businesses, jobs, and community resilience
19 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 disaster.

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

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

- 18 (a) Annual gross receipts of \$5,000,000 or less; and
- 19 (b) A reduction in business income or activity as a result of a
20 natural disaster such as a flood, earthquake, or wildfire.

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

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

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

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