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HOUSE BILL 1866

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State of Washington

69th Legislature

2025 Regular Session

By Representatives Cortes, Timmons, Reed, Parshley, Taylor, Nance, Zahn, Simmons, Macri, Street, Obras, and Fosse

Read first time 02/06/25. Referred to Committee on Appropriations.

1 AN ACT Relating to creating a pilot program to advance funds to  
2 nonprofits to support grant performance; amending RCW 39.34.150;  
3 adding a new section to chapter 43.330 RCW; and providing an  
4 expiration date.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.330  
7 RCW to read as follows:

8 (1) The department is tasked with generating greater local  
9 capacity. To achieve this objective, the department may advance funds  
10 to public benefit nonprofit corporations, as defined in RCW  
11 24.03A.245, that have received grants from the department. This  
12 advance funding pilot program will provide advance funds, as  
13 described in this section, to eligible grant recipients who have  
14 demonstrated the need for advance funding in order to perform the  
15 work required by the department grant.

16 (2) The department shall develop uniform equity-driven procedures  
17 for the demonstration of need. The department shall consult with  
18 external partners, including impacted communities, to develop the  
19 procedures.

20 (3) The department shall develop eligibility criteria for advance  
21 fund applicants. The department shall prioritize those applicants

1 with an average annual budget less than \$5,000,000. The eligibility  
2 criteria must include:

3 (a) The recipient must have been awarded a department grant  
4 within six months;

5 (b) The recipient must have performed satisfactorily under any  
6 grant received from the department within the preceding 10 years;

7 (c) The recipient must be a public benefit nonprofit corporation,  
8 as defined in RCW 24.03A.245;

9 (d) The recipient must have been in the business for which the  
10 grant was received for a minimum of three years; and

11 (e) The grant received from the department must be to protect  
12 public health, protect public safety, promote public welfare, or  
13 provide a benefit to the state.

14 (4) Advance fund payments are to be one time and limited to no  
15 more than 25 percent of the grant or \$100,000, whichever is less. The  
16 amount of the advance fund payment must be deducted from the total  
17 grant awarded to the recipient.

18 (5) An enforceable contract that protects the interests of the  
19 state must be fully executed before any advance fund payments are  
20 made. The advance fund recipient shall use the awarded funds only for  
21 the purpose stated in the contract.

22 (6) By September 1, 2027, the department shall submit a report to  
23 the relevant committees of the legislature and the governor in  
24 compliance with RCW 43.01.036 that includes:

25 (a) An evaluation of the advance funding pilot program that  
26 includes outcome data for participants;

27 (b) Recommendation whether to continue the advance funding  
28 program; and

29 (c) Recommendations for improving or expanding the advance  
30 funding program.

31 (7) This section expires June 30, 2028.

32 **Sec. 2.** RCW 39.34.150 and 2011 c 336 s 805 are each amended to  
33 read as follows:

34 (1) State agencies are authorized to advance funds to defray  
35 charges for materials to be furnished or services to be rendered by  
36 other state agencies. Such advances shall be made only upon the  
37 approval of the director of financial management, or his or her order  
38 made pursuant to an appropriate regulation requiring advances in  
39 certain cases. An advance shall be made from the fund or

1 appropriation available for the procuring of such services or  
2 materials, to the state agency which is to perform the services or  
3 furnish the materials, in an amount no greater than the estimated  
4 charges therefor.

5 (2) Until June 30, 2028, the department of commerce may advance  
6 funds to public benefit nonprofit corporations, as defined in RCW  
7 24.03A.245, pursuant to an approved contract under section 1 of this  
8 act.

9 NEW SECTION. **Sec. 3.** If any provision of this act or its  
10 application to any person or circumstance is held invalid, the  
11 remainder of the act or the application of the provision to other  
12 persons or circumstances is not affected.

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