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ENGROSSED SENATE BILL 6100

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State of Washington

64th Legislature

2015 Regular Session

By Senators Chase, Brown, Angel, Hatfield, Ericksen, and McCoy

Read first time 04/15/15. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to establishing an economic gardening pilot  
2 program; adding a new section to chapter 43.31 RCW; creating a new  
3 section; and providing an expiration date.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

6 (a) Washington's unemployment rate during the recent recession  
7 created economic and social hardships for the people of the state;

8 (b) Local start-up companies and small businesses are likely, as  
9 they grow, to remain in their communities of origin, thereby creating  
10 local jobs and an economic multiplier effect with their payrolls and  
11 taxes while providing local economic stimuli, which increases the  
12 local tax base;

13 (c) Statewide economic prosperity and job creation are advanced  
14 significantly by creating, promoting, and retaining local start-up  
15 companies and small businesses with high growth potential;

16 (d) Entrepreneurs and small business owners of second-stage  
17 companies, which are those companies that are beyond the start-up  
18 stage but have not yet fully matured, with innovative products or  
19 services that satisfy market needs, have particular potential for  
20 expansion and job creation;

1 (e) Such entrepreneurs and owners can benefit from specialized  
2 business assistance to refine core strategies and from access to in-  
3 depth market research, competitor analyses, geographic information  
4 systems, search engine optimization, and other strategic information,  
5 as well as from relationships with mentors and advisers;

6 (f) The aspects of economic gardening that incorporate these  
7 principles have proven successful in improving the entrepreneurial  
8 process and promoting economically sustainable local businesses; and

9 (g) It is important to the overall health and growth of the  
10 state's economy to promote favorable conditions for those expanding  
11 Washington businesses that demonstrate the ability to grow.

12 (2) In recognition of the foregoing findings and principles, it  
13 is the intent of the legislature to create a Washington economic  
14 gardening pilot project in the department of commerce.

15 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.31  
16 RCW to read as follows:

17 (1) There is hereby created within the department the economic  
18 gardening pilot project. The purpose of the pilot project is to  
19 stimulate Washington's economy and create good-paying, sustainable  
20 jobs by providing economic gardening strategic assistance services to  
21 second-stage companies in accordance with this section.

22 (2) The department must oversee and direct all resources for the  
23 execution of the pilot project. The department must work with  
24 chambers of commerce, associate development organizations, or other  
25 economic development organizations to implement the pilot project.  
26 The pilot project includes developing the processes for qualifying  
27 and selecting second-stage companies, identifying training components  
28 for economic development organizations implementing the pilot  
29 project, engaging trained and certified economic gardening private  
30 contractors as necessary, and providing economic gardening strategic  
31 assistance to companies participating in the pilot project.

32 (3)(a) On or before January 1, 2017, the department must initiate  
33 a program to provide or obtain all necessary credentials for high-  
34 impact strategic assistance for the economic development  
35 organizations participating in the pilot project.

36 (b) Prior to the date that strategic assistance is provided  
37 pursuant to this subsection (3):

1 (i) Economic development organizations participating in the pilot  
2 project must be certified in economic gardening by a nationally  
3 recognized certifying entity identified by the department; and

4 (ii) The department or economic development organizations  
5 participating in the pilot project must, as necessary, contract with  
6 trained and certified economic gardening private contractors.

7 (c) After pilot project staff members are certified under (b) of  
8 this subsection, the department must use the existing infrastructure  
9 of economic development organizations to promote the pilot project to  
10 second-stage companies and to those clients and referrals that show  
11 growth potential in jobs, sales, or export potential.

12 (4)(a) On or before January 1, 2017, the department and  
13 participating economic development organizations must publish  
14 criteria for a second-stage company to be selected to participate in  
15 the pilot project. The criteria must include job growth potential,  
16 sustainability, export potential, and a workforce comprised of at  
17 least fifty percent Washington residents. Application criteria must  
18 also include requirements for data collection, as specified by the  
19 department, to show the impacts of services provided through the  
20 pilot project. The department and participating economic development  
21 organizations must identify second-stage companies eligible to  
22 participate by utilizing existing strategic infrastructure and by  
23 consulting with local and regional economic development partners,  
24 such as chambers of commerce associate development organizations, and  
25 other local or regional economic development entities.

26 (b) In order to participate in the pilot project, a company  
27 selected for participation must pay a one-time fee of seven hundred  
28 fifty dollars, which moneys must be deposited into the economic  
29 gardening pilot project fund, created in subsection (5) of this  
30 section, for reinvestment in the pilot project.

31 (c) On or before March 1, 2017, the department and participating  
32 economic development organizations must select a minimum of twenty  
33 companies to participate in the pilot project.

34 (d) The department must oversee staff members certified pursuant  
35 to (b) of this subsection or certified private contractors to deploy  
36 strategic assistance to all pilot project participants. The  
37 department and participating economic development organizations must  
38 acquire any tools necessary to provide the strategic assistance,  
39 including database licenses, permits, and economic gardening  
40 certification.

1 (e) A participating company has twelve months from the date that  
2 the department and participating economic development organizations  
3 select the company to participate in the pilot project to use the  
4 strategic assistance and other economic gardening services offered  
5 pursuant to the pilot project.

6 (5) There is hereby created in the state treasury the economic  
7 gardening pilot project fund, to be administered by the department.  
8 The fund consists of all fees received under subsection (4)(b) of  
9 this section and any moneys appropriated by the legislature for the  
10 purposes of this section. The legislature must make annual  
11 appropriations of the moneys in the fund to the department for  
12 administering the pilot project. Any moneys in the fund not  
13 appropriated must remain in the fund and may not be transferred or  
14 revert to the general fund at the end of any fiscal year.

15 (6) On or before November 1, 2017, and on or before November 1st  
16 each year thereafter through November 1, 2019, and in compliance with  
17 RCW 43.01.036 the department must submit a report to the economic and  
18 workforce development committees of the legislature. The report must  
19 include, at a minimum:

20 (a) The services offered through the pilot project's strategic  
21 assistance;

22 (b) The department's expenditures on strategic assistance  
23 provided to pilot project participants;

24 (c) The number and types of jobs created as a result of the pilot  
25 project;

26 (d) The increased sales as a result of the pilot project; and

27 (e) The value of goods or services sold outside the company's  
28 local area or state.

29 (7) The following definitions apply throughout this section  
30 unless the context clearly requires otherwise.

31 (a) "Department" means the department of commerce.

32 (b) "Economic gardening" means an approach to economic growth and  
33 development that emphasizes nurturing and cultivating local small  
34 businesses by providing strategic assistance to second-stage  
35 companies.

36 (c) "Key industry" means an industry critical to the Washington  
37 economy, as identified by the department.

38 (d) "Pilot project" means the economic gardening pilot project  
39 created in this section.

40 (e) "Second-stage company" means a privately held business that:

1 (i) Employs full-time at least six persons but not more than  
2 ninety-nine persons;

3 (ii) Has maintained its principal place of business and a  
4 majority of its employees in Washington for at least the previous two  
5 years;

6 (iii) Claims at least five hundred thousand dollars but not more  
7 than fifty million dollars as annual gross revenue or working  
8 capital; and

9 (iv) Has a product or service that is, or has the potential to  
10 be, sold outside the company's local area or state.

11 (f) "Strategic assistance" or "economic gardening strategic  
12 assistance" means performing high-level consulting or database  
13 research and analysis or the deployment of staff members certified  
14 under subsection (4) of this section to perform market research,  
15 develop core strategies, conduct business modeling, identify  
16 qualified sales leads, provide growth financing referrals, perform  
17 search engine optimization, utilize geographic information systems,  
18 advise on new media marketing, or assist with network analyses and  
19 innovation strategies.

20 (8) The pilot project created in this section terminates July 1,  
21 2019.

22 (9) This section expires July 1, 2020.

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