



STATE OF WASHINGTON
DEPARTMENT OF COMMERCE
1011 Plum Street SE • PO Box 42525 • Olympia, Washington 98504-2525 • 360-725-4000
www.commerce.wa.gov

September 15, 2023

Ms. Sarah Bannister, Secretary of the Senate
312 Legislative Bldg.
PO Box 40482
Olympia, WA 98504-0482

Mr. Bernard Dean, Chief Clerk of the House of Representatives
338B Legislative Bldg.
PO Box 40600
Olympia, WA 98504-0600

Re: HB 1015 (RCW 43.390) (2022) Equitable Access to Credit Program Development Update

Dear Ms. Bannister and Mr. Dean,

The purpose of this letter is to provide an update on the status of the Equitable Access to Credit Program, pursuant to the requirements of the program in RCW 43.390.020.

The Equitable Access to Credit Program's goal is to encourage investment in small, rural, and underserved businesses and individuals to boost communities and economic development in Washington. The program has a two-part approach. First, it collects contributions from businesses that have a business and operations (B&O) tax liability, who are then eligible to claim a credit with the Department of Revenue equal to the amount of the contribution up to \$1 million annually. Second, the program uses these contributions to administer a grant program for qualified lending institutions to provide access to credit for historically underserved communities.

In late 2022, the Washington State Department of Commerce (Commerce) created a new unit within the Office of Economic Development and Competitiveness to manage the growing portfolio of small business finance programs, including the Equitable Access to Credit Program. Program staff engaged with other agencies and organizations that had formal and informal roles in developing and implementing the legislation, particularly the Washington Community Investment Coalition. As of August 2023, the program began accepting contributions with instructions on the [Equitable Access to Credit Program webpage](#). A media announcement was released to promote the program and announce the program launch, and we are creating a marketing toolkit for stakeholders to utilize. The program manager developed an outreach plan, and is reaching out to organizations, groups, and agencies that may have an interest in learning about this program. Through these initial outreach efforts, we have begun to receive contributions to the program.

The program has not yet accepted grant applicants or awarded grants. RCW 43.390.020 requires that the first grant award not be disbursed until at least six months after the first tax credit is claimed. Since the program has just begun accepting contributions in August 2023, we expect to award grants no earlier than Q2 2024. While we work to engage stakeholders and educate businesses about the program, Commerce will stand up the legislatively required Advisory Board and develop the grant program guidelines. We anticipate the first full year of the program will be primarily focused on outreach and education to encourage participation in the program and engage contributors who will commit to reoccurring contributions for the life of the program.

Signed,

Linda Womack

Linda Womack
Managing Director, Small Business Finance & Community Support Unit
Washington State Department of Commerce