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**SUBSTITUTE HOUSE BILL 1264**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** House State Government & Tribal Relations (originally sponsored by Representatives Thai, Morgan, Senn, Berry, Valdez, Simmons, Ramel, Ortiz-Self, Davis, Peterson, Wylie, Callan, Lekanoff, Macri, Bronoske, Slatter, Ramos, Berg, Harris-Talley, Pollet, Gregerson, and Riccelli)

READ FIRST TIME 02/15/21.

1 AN ACT Relating to establishing an equity impact statement for  
2 legislative proposals; adding a new chapter to Title 43 RCW; and  
3 creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that the health,  
6 safety, and productivity of all Washington communities, including  
7 historically marginalized communities, is of the utmost importance.  
8 All Washingtonians are harmed by unintended disparities created by  
9 legislation. Therefore, the legislature intends to create a tool to  
10 provide legislators with aggregated and disaggregated demographical  
11 data and other information to help legislators proactively identify  
12 possible disparate impacts on historically marginalized communities,  
13 and thus make better informed and intentional decisions on  
14 legislative proposals. The legislature also intends for the office of  
15 equity to provide agency training on completing an equity impact  
16 statement, in order to support the important work that the office of  
17 financial management is tasked with under this act, and to provide  
18 legislators with an effective tool to aid in their decision making.

19 The legislature finds that health impact reviews provide valuable  
20 information that helps legislators make informed decisions. However,  
21 given the nature of health impact reviews, the time required to

1 complete a health impact review can be lengthy. As a result, it is a  
2 challenge to complete health impact reviews on all proposed  
3 legislation where objective, nonpartisan, data-driven information  
4 about the equity impacts of the proposed legislation would be useful  
5 in the legislative decision-making process. It is not the intent of  
6 the legislature to replace health impact reviews, but rather it is  
7 the intent of the legislature to establish a tool that can be applied  
8 to a greater number of legislative proposals, thereby enabling  
9 legislators to assess the equity impacts for a large number of  
10 measures. If further information about the equity impacts of proposed  
11 legislation is warranted, requesting a health impact review would be  
12 one possible path forward.

13 NEW SECTION. **Sec. 2.** The definitions in this section apply  
14 throughout this chapter unless the context clearly requires  
15 otherwise.

16 (1) "Agency" means every state executive office, agency,  
17 department, or commission, and the offices of statewide elected  
18 officials.

19 (2) "Communities" means a group of people who share some or all  
20 of the characteristics listed in RCW 49.60.030, and also includes  
21 language access and socioeconomic status.

22 (3) "Disaggregated data" means data that has been broken down by  
23 appropriate subcategories.

24 (4) "Socioeconomic status" means the position or social standing  
25 of an individual or group relative to others as determined by a  
26 combination of social and economic factors. Social and economic  
27 factors may include, but are not limited to, income, occupation, and  
28 education.

29 (5) "Statutory commission" means the Washington state commission  
30 on African American affairs established in chapter 43.113 RCW, the  
31 Washington state commission on Asian Pacific American affairs  
32 established in chapter 43.117 RCW, the Washington state commission on  
33 Hispanic affairs established in chapter 43.115 RCW, the Washington  
34 state women's commission established in chapter 43.119 RCW, the  
35 Washington state LGBTQ commission established in chapter 43.114 RCW,  
36 and the human rights commission established in chapter 49.60 RCW.

37 NEW SECTION. **Sec. 3.** IMPLEMENTATION PHASE 1. (1) The office of  
38 financial management shall, in consultation with the governor's

1 interagency council on health disparities and the office of equity,  
2 establish procedures for providing an equity impact statement for  
3 legislative proposals for which an equity impact statement has been  
4 requested. The office of financial management must electronically  
5 provide equity impact statements online. The equity impact statement  
6 that has been prepared for a legislative proposal must be placed in  
7 the bill books or otherwise attached to the legislative proposal and  
8 must remain with the legislative proposal throughout the legislative  
9 process insofar as possible.

10 (2) The office of financial management shall, in consultation  
11 with the governor's interagency council on health disparities and the  
12 office of equity:

13 (a) Establish format and content requirements for the equity  
14 impact statement. At a minimum, the equity impact statement must  
15 describe the expected impact of the legislative proposal on  
16 communities; and

17 (b) Provide guidance for agencies on best practices, such as  
18 appropriate data and literature review standards, for completing an  
19 equity impact statement that is based on the best available empirical  
20 information and professional assumptions available to the agency  
21 within the time required for completing the equity impact statement.

22 (3) By July 1, 2022, and in compliance with RCW 43.01.036, the  
23 office of financial management shall submit a report to the governor,  
24 appropriate committees of the legislature, and statutory commissions  
25 that details:

26 (a) The procedure for providing an equity impact statement for  
27 legislative proposals, established pursuant to subsection (1) of this  
28 section;

29 (b) The format and content requirements for the equity impact  
30 statement, established pursuant to subsection (2) of this section;

31 (c) A plan, including information technology additions or  
32 revisions, necessary to implement section 4 of this act; and

33 (d) Recommendations on any policy changes needed to implement  
34 chapter . . ., Laws of 2021 (this act).

35 (4) For purposes of implementing this section, the office of  
36 financial management may contract with an entity or entities that  
37 have expertise in equity impact assessments. The contract is exempt  
38 from the competitive procurement requirements in chapter 39.26 RCW.

1        NEW SECTION.        **Sec. 4.**        IMPLEMENTATION PHASE 2. (1) Beginning  
2 January 1, 2023, in accordance with the procedures and requirements  
3 established pursuant to section 3 of this act, agencies shall prepare  
4 and the office of financial management shall provide an equity impact  
5 statement for legislative proposals that create new statutory  
6 provisions or amend existing statutes on housing or health care  
7 policies. The office of financial management shall add additional  
8 subject areas consistent with the schedule established in sections 5  
9 and 6 of this act.

10        (2) Within 30 days after the final adjournment of the 2023  
11 legislative session or sessions, the office of financial management  
12 shall survey all of the members of the house of representatives and  
13 the senate for the purpose of making improvements to the content of  
14 and procedure for providing equity impact statements. The survey must  
15 include inquiries into the following:

- 16        (a) Whether the member reviewed the equity impact statements;
- 17        (b) How helpful the equity impact statements were to inform a  
18 member's decision process on legislative proposals;
- 19        (c) Recommendations members may have on improvements to the  
20 content of an equity impact statement or procedure for providing an  
21 equity impact statement; and
- 22        (d) Other feedback the member wishes to provide.

23        (3) By September 1, 2023, and in compliance with RCW 43.01.036,  
24 the office of financial management shall submit a report to the  
25 governor, appropriate committees of the legislature, and statutory  
26 commissions that details:

- 27        (a) Legislative member survey responses;
- 28        (b) A summary of the responses received under (a) of this  
29 subsection;
- 30        (c) Plans, if any, to amend the procedures or requirements  
31 established pursuant to section 3 of this act;
- 32        (d) A plan to implement section 5 of this act; and
- 33        (e) Recommendations on any policy changes needed to implement  
34 chapter . . ., Laws of 2021 (this act).

35        NEW SECTION.        **Sec. 5.**        IMPLEMENTATION PHASE 3. (1) Beginning  
36 January 1, 2024, in accordance with the procedures and requirements  
37 established pursuant to section 3 of this act, agencies shall prepare  
38 and the office of financial management shall provide an equity impact  
39 statement for legislative proposals that create new statutory

1 provisions or amend existing statutes on elementary and secondary  
2 education policy.

3 (2) Beginning on January 1, 2025, in accordance with the  
4 procedures and requirements established pursuant to section 3 of this  
5 act, agencies shall prepare and the office of financial management  
6 shall provide an equity impact statement for legislative proposals:

7 (a) That create new statutory provisions or amend existing  
8 statutes on tax policy; and

9 (b) In two additional policy areas selected by the office of  
10 financial management. The office of financial management shall  
11 immediately notify the legislature of the policy areas selected  
12 pursuant to this subsection (2)(b).

13 (3) Within 30 days after the final adjournment of the 2025  
14 legislative session or sessions, the office of financial management  
15 shall survey all of the members of the house of representatives and  
16 the senate for the purpose of making improvements to the content of  
17 and procedure for providing equity impact statements. By November 15,  
18 2025, and in compliance with RCW 43.01.036, the office of financial  
19 management shall submit a report to the governor, appropriate  
20 committees of the legislature, and statutory commissions that  
21 details:

22 (a) Legislative member survey responses;

23 (b) A summary of the responses received under (a) of this  
24 subsection;

25 (c) Plans, if any, to amend the procedures or requirements  
26 established pursuant to section 3 of this act; and

27 (d) Recommendations on any policy changes needed to implement  
28 chapter . . ., Laws of 2021 (this act).

29 NEW SECTION. **Sec. 6.** IMPLEMENTATION PHASE 4. Beginning on  
30 January 1, 2027, and every January 1st of odd-numbered years  
31 thereafter, and until all matters subject to legislation are  
32 included, agencies shall prepare and the office of financial  
33 management shall provide equity impact statements for legislative  
34 proposals in three additional policy areas selected by the office of  
35 financial management. The office of financial management shall  
36 immediately notify the legislature of the policy areas selected  
37 pursuant to this section. The equity impact statements must be  
38 prepared and provided in accordance to the procedures and  
39 requirements established pursuant to section 3 of this act.

1        NEW SECTION.    **Sec. 7.**    (1) In accordance with the office of  
2 equity's training responsibilities under RCW 43.06D.040, the office  
3 of equity shall provide training to the appropriate agency employees  
4 on how to complete an effective equity impact statement.

5        (2) When preparing an equity impact statement, agencies shall use  
6 guidance, procedures, and content and format requirements,  
7 established by the office of financial management pursuant to section  
8 3 of this act.

9        NEW SECTION.    **Sec. 8.**    Nothing in this chapter shall prevent the  
10 legislature from acting on any legislative proposal before it, as  
11 otherwise provided by the state Constitution, by law, and by the  
12 rules and joint rules of the senate and house of representatives. Nor  
13 shall the lack of any equity impact statement as provided in this  
14 chapter or any error in the accuracy thereof affect the validity of  
15 any measure otherwise duly passed by the legislature.

16        NEW SECTION.    **Sec. 9.**    Beginning July 1, 2028, and annually  
17 thereafter, the office of financial management must provide data  
18 requested by the office of equity regarding equity impact statements.  
19 The office of equity shall include the data provided by the office of  
20 financial management in the annual report to the governor and the  
21 legislature on agency compliance with office standards and  
22 performance measures, as required under RCW 43.06D.040(2).

23        NEW SECTION.    **Sec. 10.**    Sections 2 through 9 of this act  
24 constitute a new chapter in Title 43 RCW.

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