

# HOUSE BILL REPORT

## ESB 6037

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### As Reported By House Committee On:

Government Operations

**Title:** An act relating to the creation of the Washington independent regulatory affairs commission.

**Brief Description:** Creating the Washington Independent Regulatory Affairs Commission.

**Sponsors:** Senators Sheldon, Hale, Rinehart, Haugen, Drew, Oke, Kohl, Fairley, Franklin, Snyder, Quigley, Bauer, McAuliffe, Fraser, Sutherland and Gaspard.

### **Brief History:**

#### **Committee Activity:**

Government Operations: 3/31/95 [DPA].

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## HOUSE COMMITTEE ON GOVERNMENT OPERATIONS

**Majority Report:** Do pass as amended. Signed by 15 members: Representatives Reams, Chairman; Goldsmith, Vice Chairman; L. Thomas, Vice Chairman; Rust, Ranking Minority Member; Scott, Assistant Ranking Minority Member; Chopp; R. Fisher; Hargrove; Honeyford; Hymes; Mulliken; D. Schmidt; Sommers; Van Luven and Wolfe.

**Staff:** Bonnie Austin (786-7135).

**Background:** The Joint Administrative Rules Review Committee (JARRC) is an eight-member bipartisan legislative committee established to selectively review proposed and existing state agency rules. JARRC is authorized to recommend the suspension of an agency rule when it finds that the rule does not conform with the intent of the Legislature or was not adopted in compliance with applicable provisions of law.

The state Administrative Procedure Act (APA) sets forth the process that agencies must follow when adopting all rules. It requires an agency to first prepare a "statement of intent" and solicit comments on a subject of possible rule-making. The agency must hold a hearing on a proposed rule, after notice of the proposed rule and hearing is given in the state register. The agency is required to consider, summarize,

and respond to the comments it receives. The agency may then withdraw the rule, modify it, or adopt it as proposed.

**Summary of Amended Bill:** The Senate and House Government Operations Committees will conduct a joint interim study on the advisability of creating an independent commission to oversee the state regulatory system.

**Amended Bill Compared to Engrossed Bill:** The engrossed bill established the Washington Independent Regulatory Review Commission. The amended bill strikes the commission and replaces this with an interim study.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Amended Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Eight other states have created independent commissions. The commission would have more teeth than JARCC because it would be able to suspend a rule until after the next legislative session. It should prevent litigation.

**Testimony Against:** A regulatory ombudsman should be established instead of the commission. There should not be an exemption for negotiated rules. There is no review of the substance of agency rules. The time lines are troublesome.

**Testified:** Senator Sheldon, prime sponsor; Chreis Schmitt, Department of Fisheries and Wildlife; Rick Slunaker, Associated General Contractors of Washington; Gary Smith, Independent Business Association; and Carolyn Logue, National Federation of Independent Businesses.