

2 **SHB 2441** - S COMM AMD
3 By Committee on State & Local Government

4 ADOPTED 2/29/00

5 Strike everything after the enacting clause and insert the
6 following:

7 **"Sec. 1.** RCW 43.131.020 and 1977 ex.s. c 289 s 2 are each amended
8 to read as follows:

9 The state legislature finds that state ~~((agencies))~~ entities may
10 fail to deliver services as effectively and efficiently as is expected
11 by the general public and as originally contemplated by the
12 legislature. It further finds that state government actions have
13 produced a substantial increase in numbers of ~~((agencies))~~ entities,
14 growth of programs, and proliferation of rules ~~((and regulations))~~, and
15 that the entire process has evolved without sufficient legislative and
16 executive oversight, regulatory accountability, or a system of checks
17 and balances. The legislature further finds that by establishing a
18 system for the termination, continuation, or modification of state
19 ~~((agencies))~~ entities, coupled with a system of scheduled review of
20 such ~~((agencies))~~ entities, it will be in a better position to:
21 Evaluate the need for the continued existence of existing and future
22 state ~~((agencies))~~ entities; assess the effectiveness and performance
23 of agencies, boards, commissions, and programs; and ensure public
24 accountability. The legislature recognizes that the executive branch
25 shares in this duty and responsibility to assure that state government
26 operates in an efficient, orderly, and responsive manner.

27 **Sec. 2.** RCW 43.131.030 and 1983 1st ex.s. c 27 s 1 are each
28 amended to read as follows:

29 As used in this chapter the following words and phrases shall have
30 the following meanings unless the context clearly requires otherwise.

31 ~~(("Committees of reference" means the standing legislative
32 committees designated by the senate and house of representatives to
33 consider termination, modification, or reestablishment of state
34 agencies pursuant to this chapter.))~~ "Entity" includes every state
35 office, department, board, commission, unit or subunit, and agency of

1 the state, and where provided by law, programs and activities involving
2 less than the full responsibility of a state agency. "Entity" also
3 includes any part of the Revised Code of Washington scheduled for
4 repeal, expiration, or program termination.

5 (2) "Person" includes every natural person, firm, partnership,
6 corporation, association, or organization.

7 (~~(3) "Regulatory entity" means any board, commission, agency,~~
8 ~~division, or other unit or subunit of state government which licenses~~
9 ~~or regulates one or more professions, occupations, industries,~~
10 ~~businesses, or other endeavors in the state of Washington.~~

11 (~~(4) "State agency" includes every state office, department, board,~~
12 ~~commission, regulatory entity and agency of the state, and where~~
13 ~~provided by law, programs and activities involving less than the full~~
14 ~~responsibility of a state agency.))~~

15 **Sec. 3.** RCW 43.131.040 and 1983 1st ex.s. c 27 s 2 are each
16 amended to read as follows:

17 Any state ((agency)) entity scheduled for termination by the
18 processes provided in this chapter may be reestablished by the
19 legislature for a specified period of time or indefinitely. The
20 legislature may again review the state ((agency)) entity in a manner
21 consistent with the provisions of this chapter and reestablish, modify,
22 or consolidate such state ((agency)) entity or allow it to be
23 terminated.

24 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.131 RCW
25 to read as follows:

26 The joint legislative audit and review committee shall conduct a
27 program and fiscal review of any entity scheduled for termination under
28 this chapter. This program and fiscal review shall be completed and a
29 preliminary report prepared during the calendar year prior to the date
30 established for termination. These reports shall be prepared in the
31 manner set forth in RCW 44.28.071 and 44.28.075. Upon completion of
32 its preliminary report, the joint legislative audit and review
33 committee shall transmit copies of the report to the office of
34 financial management and any affected entity. The final report shall
35 include the response, if any, of the affected entity and the office of
36 financial management in the same manner as set forth in RCW 44.28.088,
37 except the affected entity and the office of financial management shall

1 have sixty days to respond to the report. The joint legislative audit
2 and review committee shall transmit the final report to the
3 legislature, to the state entity affected, to the governor, and to the
4 state library.

5 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.131 RCW
6 to read as follows:

7 (1) Any entity may be scheduled for sunset termination and review
8 under this chapter by law.

9 (2) An entity scheduled for sunset termination shall establish
10 performance measures, as required under subsection (3) of this section,
11 and must be evaluated, in part, in terms of the results. The entity
12 has the burden of demonstrating the extent to which performance results
13 have been achieved. The sunset termination legislation shall name a
14 lead entity, if more than one entity is impacted by scheduled
15 termination. The affected entity or lead entity has the responsibility
16 for developing and implementing a data collection plan and submitting
17 the resulting performance information to the joint legislative audit
18 and review committee.

19 (3) An entity shall develop performance measures and a data
20 collection plan and submit them for review and comment to the joint
21 legislative audit and review committee within one year of the effective
22 date of the legislation establishing the sunset termination.

23 (4) Unless specified otherwise, sunset terminations under this
24 chapter shall be a minimum of seven years. The joint legislative
25 audit and review committee shall complete its review in the year prior
26 to the date of termination.

27 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.131 RCW
28 to read as follows:

29 (1) In conducting the review of an entity, the joint legislative
30 audit and review committee shall determine the scope and objectives of
31 the review and consider, but not be limited to, the following factors,
32 if applicable:

33 (a) The extent to which the entity has complied with legislative
34 intent;

35 (b) The extent to which the entity is operating in an efficient and
36 economical manner which results in optimum performance;

1 (c) The extent to which the entity is operating in the public
2 interest by controlling costs;

3 (d) The extent to which the entity duplicates the activities of
4 other entities or of the private sector;

5 (e) The extent to which the entity is meeting the performance
6 measures developed under section 5 of this act; and

7 (f) The possible impact of the termination or modification of the
8 entity.

9 (2) After completing the review under subsection (1) of this
10 section, the committee shall make its recommendations to the
11 legislature.

12 **Sec. 7.** RCW 43.131.090 and 1993 c 281 s 54 are each amended to
13 read as follows:

14 Unless the legislature specifies a shorter period of time, a
15 terminated ((state agency)) entity shall continue in existence until
16 June 30th of the next succeeding year for the purpose of concluding its
17 affairs: PROVIDED, That the powers and authority of the ((state
18 agency)) entity shall not be reduced or otherwise limited during this
19 period. Unless otherwise provided:

20 (1) All employees of terminated ((state agencies)) entities
21 classified under chapter 41.06 RCW, the state civil service law, shall
22 be transferred as appropriate or as otherwise provided in the
23 procedures adopted by the Washington personnel resources board pursuant
24 to RCW 41.06.150;

25 (2) All documents and papers, equipment, or other tangible property
26 in the possession of the terminated ((state agency)) entity shall be
27 delivered to the custody of the ((agency)) entity assuming the
28 responsibilities of the terminated ((agency)) entity or if such
29 responsibilities have been eliminated, documents and papers shall be
30 delivered to the state archivist and equipment or other tangible
31 property to the department of general administration;

32 (3) All funds held by, or other moneys due to, the terminated
33 ((state agency)) entity shall revert to the fund from which they were
34 appropriated, or if that fund is abolished to the general fund;

35 (4) Notwithstanding the provisions of RCW 34.05.020, all rules made
36 by a terminated ((state agency)) entity shall be repealed, without
37 further action by the ((state agency)) entity, at the end of the period
38 provided in this section, unless assumed and reaffirmed by the

1 ((agency)) entity assuming the related legal responsibilities of the
2 terminated ((state agency)) entity;

3 (5) All contractual rights and duties of ((a state agency)) an
4 entity shall be assigned or delegated to the ((agency)) entity assuming
5 the responsibilities of the terminated ((state agency)) entity, or if
6 there is none to such ((agency)) entity as the governor shall direct.

7 **Sec. 8.** RCW 43.131.100 and 1977 ex.s. c 289 s 10 are each amended
8 to read as follows:

9 This chapter shall not affect the right to institute or prosecute
10 any cause of action by or against ((a state agency)) an entity
11 terminated pursuant to this chapter if the cause of action arose prior
12 to the end of the period provided in RCW 43.131.090. Such causes of
13 action may be instituted, prosecuted, or defended in the name of the
14 state of Washington by the office of the attorney general. Any hearing
15 or other proceeding pending before ((a state agency)) an entity to be
16 terminated and not completed before the end of the period provided in
17 RCW 43.131.090, may be completed by the ((agency)) entity assuming the
18 responsibilities of the terminated ((state agency)) entity.

19 **Sec. 9.** RCW 43.131.130 and 1977 ex.s. c 289 s 13 are each amended
20 to read as follows:

21 Nothing in this chapter or RCW 43.06.010 ((as now or hereafter
22 amended,)) shall prevent the legislature from abolishing or modifying
23 ((a state agency)) an entity scheduled for termination prior to the
24 ((agency's)) entity's established termination date or from abolishing
25 or modifying any other ((state agency)) entity.

26 **Sec. 10.** RCW 43.131.150 and 1983 1st ex.s. c 27 s 8 are each
27 amended to read as follows:

28 The ((state agencies and programs)) entities scheduled for
29 termination under this chapter shall be subject to all of the processes
30 provided in this chapter.

31 NEW SECTION. **Sec. 11.** The following acts or parts of acts are
32 each repealed:

33 (1) RCW 43.131.050 (Joint legislative audit and review committee
34 and office of financial management--Duties--Reports required) and 1996
35 c 288 s 43, 1990 c 297 s 2, 1979 c 22 s 1, & 1977 ex.s. c 289 s 5;

1 (2) RCW 43.131.060 (Joint legislative audit and review committee
2 review of regulatory entity--Factors for consideration) and 1996 c 288
3 s 44, 1988 c 17 s 1, & 1977 ex.s. c 289 s 6;

4 (3) RCW 43.131.070 (Joint legislative audit and review committee
5 review of a state agency other than a regulatory entity--Factors for
6 consideration) and 1996 c 288 s 45 & 1977 ex.s. c 289 s 7; and

7 (4) RCW 43.131.080 (Committees of reference--Powers and duties) and
8 1996 c 288 s 46, 1989 c 175 s 109, 1983 1st ex.s. c 27 s 3, & 1977
9 ex.s. c 289 s 8.

10 **Sec. 12.** RCW 43.131.900 and 1988 c 17 s 2 are each amended to read
11 as follows:

12 RCW 43.131.010 through 43.131.150 shall expire on June 30, ((2000))
13 2015, unless extended by law for an additional fixed period of time.

14 NEW SECTION. **Sec. 13.** If any provision of this act or its
15 application to any person or circumstance is held invalid, the
16 remainder of the act or the application of the provision to other
17 persons or circumstances is not affected."

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20 ADOPTED 2/29/00

21 On page 1, line 2 of the title, after "process;" strike the
22 remainder of the title and insert "amending RCW 43.131.020, 43.131.030,
23 43.131.040, 43.131.090, 43.131.100, 43.131.130, 43.131.150, and
24 43.131.900; adding new sections to chapter 43.131 RCW; repealing RCW
25 43.131.050, 43.131.060, 43.131.070, and 43.131.080; and providing an
26 expiration date."

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