

# HOUSE BILL REPORT

## SHB 2441

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### As Amended by the Senate

**Title:** An act relating to government accountability through the state sunset review process.

**Brief Description:** Increasing government accountability through the state sunset review process.

**Sponsors:** By House Committee on State Government (originally sponsored by Representatives Wensman, Ogden, Rockefeller, McMorris, Alexander, Regala, Mielke, Doumit, Thomas, Kessler, Hatfield, O'Brien, Lisk, McDonald, Carlson, Conway, Mulliken, Koster, Woods, Talcott, Huff, Radcliff, Wolfe, Ruderman, Edmonds, Pflug, Parlette, Esser, Hurst and Benson; by request of Joint Legislative Audit & Review Committee).

**Brief History:**

**Committee Activity:**

State Government: 1/28/00, 2/2/00 [DPS].

**Floor Activity:**

Passed House: 2/8/00, 96-1.

Senate Amended.

Passed Senate: 2/29/00, 44-0.

#### Brief Summary of Substitute Bill

- Expands the entities that can be subjected to the sunset review process.
- Requires entities subject to sunset review to develop and implement performance measures.
- Specifies that the sunset review process must take at least seven years.
- Changes the sunset review process, including the factors that must be considered in a sunset review and the legislative hearings requirement.
- Extends the termination of the sunset review process to June 30, 2015.

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## HOUSE COMMITTEE ON STATE GOVERNMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives McMorris, Republican Co-Chair; Romero, Democratic Co-Chair; Campbell, Republican Vice Chair; Miloscia, Democratic Vice Chair; Dunshee; Haigh; Lambert and D. Schmidt.

**Staff:** Jim Morishima (786-7191).

### **Background:**

The Legislature may schedule a program or agency to be terminated under the sunset review process. The Joint Legislative Audit and Review Committee (JLARC) must conduct a program and fiscal review of the program or entity scheduled for termination and prepare a preliminary report of its review by June 30, of the year prior to the termination date. The factors the JLARC must use when conducting the review are specified by statute and vary depending on whether the entity being terminated is a regulatory entity. After the JLARC completes the preliminary report, the Office of Financial Management (OFM) may then conduct its own review by September 30, of the same year. The JLARC must transmit a copy of the final report to the Legislature, the Governor, the affected agency, and the State Library.

Subsequent to receipt of the final report, the appropriate standing committees of the House and Senate must hold hearings to consider the final report and any related data. Following the hearing, the committees may propose legislation reestablishing, modifying, or transferring the functions of the program or agency.

If an agency is terminated under the sunset process, it continues its existence until June 30 of the next succeeding year.

The sunset review process expires on June 30, 2000.

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### **Summary of the Substitute Bill:**

The entities that may be subject to the sunset review process are expanded. The sunset review process can be applied to any "entity" which includes state offices, boards, commissions, units or sub-units, and agencies. "Entity" also includes programs and activities involving less than the full responsibility of a state agency and parts of the Revised Code of Washington.

Unless provided otherwise, the sunset review process must take at least seven years. An entity scheduled for sunset termination must develop performance measures and

data collection plans subject to the review and comment by the JLARC. The entity bears the burden of demonstrating the extent to which performance results have been achieved.

The JLARC may complete its review of the entity at any time during the calendar year prior to the entity's termination. If the OFM issues a response to the JLARC review, the response must be included in the JLARC's final report, along with any response by the affected entity. The factors that the JLARC must consider when reviewing an entity are changed, and no longer vary depending on whether the entity is a regulatory entity. The new factors the JLARC must consider include the extent to which the entity is meeting its performance measures and the possible impact of the termination or modification of the entity.

The requirement that the standing committees of the Legislature hold hearings after the final report is completed is eliminated.

The termination date for the sunset review process is extended until June 30, 2015.

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**EFFECT OF SENATE AMENDMENT(S):** An entity and the OFM are given sixty days to respond to the JLARC reports instead of thirty days.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** The sunset law needs to be re-implemented. However, the current sunset process asks the wrong questions. This bill requires performance measures to facilitate audits and sunset reviews. It also will help prevent unreasonable deadlines for the sunset review process and makes the sunset process compatible with the JLARC performance audits.

**Testimony Against:** None.

**Testified:** Representative Mike Wensman; Representative Val Ogden; Tom Sykes, Joint Legislative Audit Review Committee; Fred Helberg, Office of the Governor; and Chuck Savage, Director, Common Cause of Washington.