H-2243.1

SUBSTITUTE HOUSE BILL 2123

State of Washington 56th Legislature 1999 Regular Session

By House Committee on State Government (originally sponsored by Representatives Cox, Grant, McMorris, Romero, D. Schmidt and Doumit)

Read first time 03/02/1999.

AN ACT Relating to expedited rule making; amending RCW 34.05.230, 34.05.310, and 34.05.356; repealing RCW 34.05.354; and providing an effective date.

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

5 **Sec. 1.** RCW 34.05.230 and 1997 c 409 s 202 are each amended to 6 read as follows:

7 (1) ((An agency may file notice for the expedited adoption of rules
8 in accordance with the procedures set forth in this section for rules
9 meeting any one of the following criteria:

10 (a) The proposed rules relate only to internal governmental 11 operations that are not subject to violation by a person;

12 (b) The proposed rules adopt or incorporate by reference without 13 material change federal statutes or regulations, Washington state statutes, rules of other Washington state agencies, shoreline master 14 15 programs other than those programs governing shorelines of state-wide significance, or, as referenced by Washington state law, national 16 17 consensus codes that generally establish industry standards, if the 18 material adopted or incorporated regulates the same subject matter and 19 conduct as the adopting or incorporating rule;

1 (c) The proposed rules only correct typographical errors, make 2 address or name changes, or clarify language of a rule without changing 3 its effect;

4 (d) The content of the proposed rules is explicitly and
5 specifically dictated by statute;

6 (e) The proposed rules have been the subject of negotiated rule
7 making, pilot rule making, or some other process that involved
8 substantial participation by interested parties before the development
9 of the proposed rule; or

10 (f) The proposed rule is being amended after a review under RCW 11 34.05.328 or section 210 of this act.

(2) The expedited rule-making process must follow the requirements 12 for rule making set forth in RCW 34.05.320, except that the agency is 13 14 not required to prepare a small business economic impact statement 15 under RCW 19.85.025, a statement indicating whether the rule constitutes a significant legislative rule under 16 34.05.328(5)(c)(iii), or a significant legislative rule analysis under 17 RCW 34.05.328. An agency is not required to prepare statements of 18 19 inquiry under RCW 34.05.310 or conduct a hearing for the expedited 20 adoption of rules. The notice for the expedited adoption of rules must contain a statement in at least ten point type, that is substantially 21 22 in the following form:

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NOTICE

24 THIS RULE IS BEING PROPOSED TO BE ADOPTED USING AN 25 EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL BUSINESS 26 27 ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO THIS RULE 28 29 BEING ADOPTED USING THE EXPEDITED RULE-MAKING PROCESS, YOU MUST 30 EXPRESS YOUR OBJECTIONS IN WRITING AND THEY MUST BE SENT TO 31 (INSERT NAME AND ADDRESS) AND RECEIVED BY (INSERT DATE).

32 (3) The agency shall send a copy of the notice of the proposed 33 expedited rule making to any person who has requested notification of 34 proposals for the expedited adoption of rules or of agency rule making, 35 as well as the joint administrative rules review committee, within 36 three days after its publication in the Washington State Register. An 37 agency may charge for the actual cost of providing a requesting party 38 mailed copies of these notices. The notice of the proposed expedited 1 rule making must be preceded by a statement substantially in the form
2 provided in subsection (2) of this section. The notice must also
3 include an explanation of the reasons the agency believes the expedited
4 adoption of the rule is appropriate.

5 (4) The code reviser shall publish the text of all rules proposed 6 for expedited adoption along with the notice required in this section 7 in a separate section of the Washington State Register. Once the text 8 of the proposed rules has been published in the Washington State 9 Register, the only changes that an agency may make in the text of these 10 proposed rules before their final adoption are to correct typographical 11 errors.

12 (5) Any person may file a written objection to the expedited 13 adoption of a rule. The objection must be filed with the agency rules 14 coordinator within forty-five days after the notice of the proposed 15 expedited rule making has been published in the Washington State 16 Register. A person who has filed a written objection to the expedited 17 adoption of a rule may withdraw the objection.

(6) If no written objections to the expedited adoption of a rule 18 19 are filed with the agency within forty-five days after the notice of proposed expedited rule making is published, or if all objections that 20 have been filed are withdrawn by the persons filing the objections, the 21 agency may enter an order adopting the rule without further notice or 22 a public hearing. The order must be published in the manner required 23 24 by this chapter for any other agency order adopting, amending, or 25 repealing a rule.

26 (7) If a written notice of objection to the expedited adoption of 27 the rule is timely filed with the agency and is not withdrawn, the 28 notice of proposed expedited rule making published under this section 29 is considered a statement of inquiry for the purposes of RCW 34.05.310, 30 and the agency may initiate further rule adoption proceedings in 31 accordance with this chapter.

32 (8) Subsections (1) through (8) of this section expire on December
33 31, 2000.

34 an [An])) An agency is encouraged to advise the public of its 35 current opinions, approaches, and likely courses of action by means of 36 interpretive or policy statements. Current interpretive and policy 37 statements are advisory only. To better inform and involve the public, 38 an agency is encouraged to convert long-standing interpretive and 39 policy statements into rules.

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1 (2) A person may petition an agency requesting the conversion of 2 interpretive and policy statements into rules. Upon submission, the 3 agency shall notify the joint administrative rules review committee of 4 the petition. Within sixty days after submission of a petition, the 5 agency shall either deny the petition in writing, stating its reasons 6 for the denial, or initiate rule-making proceedings in accordance with 7 this chapter.

8 (((11))) <u>(3)</u> Each agency shall maintain a roster of interested persons, consisting of persons who have requested in writing to be 9 10 notified of all interpretive and policy statements issued by that 11 agency. Each agency shall update the roster once each year and eliminate persons who do not indicate a desire to continue on the 12 13 roster. Whenever an agency issues an interpretive or policy statement, it shall send a copy of the statement to each person listed on the 14 15 roster. The agency may charge a nominal fee to the interested person for this service. 16

17 (((12))) (4) Whenever an agency issues an interpretive or policy 18 statement, it shall submit to the code reviser for publication in the 19 Washington State Register a statement describing the subject matter of 20 the interpretive or policy statement, and listing the person at the 21 agency from whom a copy of the interpretive or policy statement may be 22 obtained.

23 **Sec. 2.** RCW 34.05.310 and 1995 c 403 s 301 are each amended to 24 read as follows:

(1) To meet the intent of providing greater public access to administrative rule making and to promote consensus among interested parties, agencies shall solicit comments from the public on a subject of possible rule making before filing with the code reviser a notice of proposed rule making under RCW 34.05.320. The agency shall prepare a statement of inquiry that:

31 (a) Identifies the specific statute or statutes authorizing the32 agency to adopt rules on this subject;

(b) Discusses why rules on this subject may be needed and what theymight accomplish;

(c) Identifies other federal and state agencies that regulate this
 subject, and describes the process whereby the agency would coordinate
 the contemplated rule with these agencies;

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(d) Discusses the process by which the rule might be developed,
 including, but not limited to, negotiated rule making, pilot rule
 making, or agency study;

4 (e) Specifies the process by which interested parties can 5 effectively participate in the decision to adopt a new rule and 6 formulation of a proposed rule before its publication.

7 The statement of inquiry shall be filed with the code reviser ((for 8 publication)) and published in the state register at least thirty days 9 before the date the agency files notice of proposed rule making under 10 RCW 34.05.320 and shall be sent to any party that has requested receipt 11 of the agency's statements of inquiry.

12 (2) Agencies are encouraged to develop and use new procedures for 13 reaching agreement among interested parties before publication of 14 notice and the adoption hearing on a proposed rule. Examples of new 15 procedures include, but are not limited to:

(a) Negotiated rule making by which representatives of an agency and of the interests that are affected by a subject of rule making, including, where appropriate, county and city representatives, seek to reach consensus on the terms of the proposed rule and on the process by which it is negotiated; and

(b) Pilot rule making which includes testing the feasibility of complying with or administering draft new rules or draft amendments to existing rules through the use of volunteer pilot groups in various areas and circumstances, as provided in RCW 34.05.313 or as otherwise provided by the agency.

(3)(a) An agency must make a determination whether negotiated rule
 making, pilot rule making, or another process for generating
 participation from interested parties prior to development of the rule
 is appropriate.

30 (b) An agency must include a written justification in the rule-31 making file if an opportunity for interested parties to participate in 32 the rule-making process prior to publication of the proposed rule has 33 not been provided.

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(4) This section does not apply to:

35 (a) Emergency rules adopted under RCW 34.05.350;

36 (b) ((Rules relating only to internal governmental operations that 37 are not subject to violation by a nongovernment party;

38 (c) Rules adopting or incorporating by reference without material
 39 change federal statutes or regulations, Washington state statutes,

1 rules of other Washington state agencies, shoreline master programs 2 other than those programs governing shorelines of state-wide 3 significance, or, as referenced by Washington state law, national 4 consensus codes that generally establish industry standards, if the 5 material adopted or incorporated regulates the same subject matter and 6 conduct as the adopting or incorporating rule;

7 (d) Rules that only correct typographical errors, make address or 8 name changes, or clarify language of a rule without changing its 9 effect;

10 (e) Rules the content of which is explicitly and specifically 11 dictated by statute;

12 (f)) Expedited rule making under RCW 34.05.356;

(c) Rules that set or adjust fees or rates pursuant to legislative
 standards; or

15 (((g))) <u>(d)</u> Rules that adopt, amend, or repeal:

16 (i) A procedure, practice, or requirement relating to agency 17 hearings; or

(ii) A filing or related process requirement for applying to anagency for a license or permit.

20 **Sec. 3.** RCW 34.05.356 and 1998 c 280 s 2 are each amended to read 21 as follows:

(1) An agency may file notice for the expedited adoption of rules
 in accordance with the procedures set forth in this section for rules
 meeting any one of the following criteria:

(a) The proposed rules relate only to internal governmentaloperations that are not subject to violation by a person;

(b) The proposed rules adopt or incorporate by reference without 27 material change federal statutes or regulations, Washington state 28 29 statutes, rules of other Washington state agencies, shoreline master programs other than those programs governing shorelines of state-wide 30 significance, or, as referenced by Washington state law, national 31 32 consensus codes that generally establish industry standards, if the material adopted or incorporated regulates the same subject matter and 33 34 conduct as the adopting or incorporating rule;

35 (c) The proposed rules only correct typographical errors, make 36 address or name changes, or clarify language of a rule without changing 37 its effect;

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(d) The content of the proposed rules is explicitly and
 2 specifically dictated by statute;

3 (e) The proposed rules have been the subject of negotiated rule 4 making, pilot rule making, or some other process that involved 5 substantial participation by interested parties before the development 6 of the proposed rule; or

7 (f) The proposed rule is being amended after a review under RCW8 34.05.328.

9 (2) <u>An agency may file notice for the expedited repeal of rules</u> 10 <u>under the procedures set forth in this section for rules meeting any</u> 11 <u>one of the following criteria:</u>

(a) The statute on which the rule is based has been repealed and
 has not been replaced by another statute providing statutory authority
 for the rule;

15 (b) The statute on which the rule is based has been declared 16 unconstitutional by a court with jurisdiction, there is a final 17 judgment, and no statute has been enacted to replace the 18 unconstitutional statute;

19 <u>(c) The rule is no longer necessary because of changed</u> 20 <u>circumstances; or</u>

21 (d) Other rules of the agency or of another agency govern the same 22 activity as the rule, making the rule redundant.

23 (3) The expedited rule-making process must follow the requirements 24 for rule making set forth in RCW 34.05.320, except that the agency is 25 not required to prepare a small business economic impact statement 26 under RCW 19.85.025, a statement indicating whether the rule 27 constitutes significant legislative rule under а RCW 34.05.328(((6)(c)(iii))) <u>(5)(c)(iii)</u>, or a significant legislative rule 28 analysis under RCW 34.05.328. An agency is not required to prepare 29 30 statements of inquiry under RCW 34.05.310 or conduct a hearing for the 31 expedited ((adoption of rules)) rule making. The notice for the expedited ((adoption of rules)) rule making must contain a statement in 32 33 at least ten-point type, that is substantially in the following form:

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NOTICE

THIS RULE IS BEING PROPOSED ((TO BE ADOPTED USING))
 <u>UNDER</u> AN EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE
 NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL
 BUSINESS ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE

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CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO
 THIS ((RULE BEING ADOPTED USING)) USE OF THE EXPEDITED RULE MAKING PROCESS, YOU MUST EXPRESS YOUR OBJECTIONS IN WRITING AND
 THEY MUST BE SENT TO (INSERT NAME AND ADDRESS) AND RECEIVED BY
 (INSERT DATE).

б (((3))) (4) The agency shall send a copy of the notice of the 7 proposed expedited rule making to any person who has requested notification of proposals for ((the)) expedited ((adoption of rules)) 8 9 rule making or of regular agency rule making, as well as the joint administrative rules review committee, within three days after its 10 publication in the Washington State Register. An agency may charge for 11 12 the actual cost of providing a requesting party mailed copies of these 13 The notice of the proposed expedited rule making must be notices. preceded by a statement substantially in the form provided in 14 subsection $\left(\left(\frac{2}{2}\right)\right)$ of this section. The notice must also include 15 an explanation of the reasons the agency believes the expedited 16 17 ((adoption of the)) rule-making process is appropriate.

(((4))) (5) The code reviser shall publish the text of all rules 18 proposed for expedited adoption, and the citation and caption of all 19 20 rules proposed for expedited repeal, along with the notice required in 21 this section in a separate section of the Washington State Register. 22 Once the ((text of the proposed rules)) notice of expedited rule making has been published in the Washington State Register, the only changes 23 that an agency may make in the ((text of these proposed rules)) noticed 24 25 materials before their final adoption or repeal are to correct 26 typographical errors.

27 (((5))) <u>(6)</u> Any person may file a written objection to the 28 expedited ((adoption of a)) rule making. The objection must be filed 29 with the agency rules coordinator within forty-five days after the 30 notice of the proposed expedited rule making has been published in the 31 Washington State Register. A person who has filed a written objection 32 to the expedited ((adoption of a)) rule making may withdraw the 33 objection.

34 ((((6))) (<u>7</u>) If no written objections to the expedited ((adoption of 35 a)) rule making are filed with the agency within forty-five days after 36 the notice of proposed expedited rule making is published, or if all 37 objections that have been filed are withdrawn by the persons filing the 38 objections, the agency may enter an order adopting <u>or repealing</u> the 39 rule without further notice or a public hearing. The order must be

published in the manner required by this chapter for any other agency 1 order adopting, amending, or repealing a rule. 2

3 (((+7))) (8) If a written notice of objection to the expedited 4 ((adoption of the)) rule making is timely filed with the agency and is not withdrawn, the notice of proposed expedited rule making published 5 under this section is considered a statement of inquiry for the б 7 purposes of RCW 34.05.310, and the agency may initiate further ((rule 8 adoption)) rule-making proceedings in accordance with this chapter. 9

(((8) This section expires December 31, 2000.))

NEW SECTION. Sec. 4. RCW 34.05.354 (Expedited repeal) and 1998 c 10 280 s 6, 1997 c 409 s 208, & 1995 c 403 s 701 are each repealed. 11

<u>NEW SECTION.</u> Sec. 5. This act takes effect January 1, 2000. 12

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