

# SENATE BILL REPORT

## SB 5500

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As of February 11, 2011

**Title:** An act relating to the rule-making process for state economic policy.

**Brief Description:** Concerning the rule-making process for state economic policy.

**Sponsors:** Senators Baumgartner, Chase, Kastama, Zarelli, Schoesler, Shin, Holmquist Newbry, Delvin, Parlette, Kilmer and Roach.

**Brief History:**

**Committee Activity:** Economic Development, Trade & Innovation: 2/07/11.

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### SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

**Staff:** Jack Brummel (786-7428)

**Background:** Under current law, all state agencies and local governments with rule-making authority have to consider economic values in the rule-making process.

In 1994 the Legislature adopted the Regulatory Fairness Act to protect small businesses from being disproportionately impacted by state regulation. Under certain circumstances the statute requires agencies to prepare a Small Business Economic Impact Statement when adopting a rule. If disproportionate impact on small business is found in the impact statement, agencies must, where legal and feasible, reduce the costs imposed on small businesses by a rule.

When a Small Business Economic Impact Statement is required on a rule, agencies must either directly notify known interested small businesses or provide information on the rule to publications likely to be obtained by affected small businesses.

**Summary of Bill:** A legislative finding states that government decisions can have negative consequences for businesses and employees. Those with rule-making authority have to consider economic impacts in the rule-making process.

Agencies must consider specified methods to reduce the impact of a proposed rule on small businesses, including those suggested by small businesses or small business advocates.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

When a Small Business Economic Impact Statement is required on a rule, agencies must provide notice of the rule directly to known interested small businesses, through publications likely to be obtained by affected small businesses, and via posting on the agency website.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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