

SENATE BILL REPORT

SB 6669

As Reported by Senate Committee On:
Ways & Means, March 3, 2016

Title: An act relating to consolidating business assistance programs and services.

Brief Description: Consolidating business assistance programs and services.

Sponsors: Senators Brown and Braun.

Brief History:

Committee Activity: Ways & Means: 3/02/16, 3/03/16 [DPS, DNP, w/oRec].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6669 be substituted therefor, and the substitute bill do pass.

Signed by Senators Braun, Vice Chair; Dammeier, Vice Chair; Honeyford, Vice Chair, Capital Budget Chair; Bailey, Becker, Brown, Hewitt, O'Ban, Padden, Parlette, Schoesler and Warnick.

Minority Report: Do not pass.

Signed by Senators Hargrove, Ranking Member; Conway, Darneille, Hasegawa, Nelson, Pedersen and Rolfes.

Minority Report: That it be referred without recommendation.

Signed by Senators Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Ranking Minority Member, Operating; Billig.

Staff: Julie Murray (786-7711)

Background: The Legislature created the Office of Regulatory Assistance (ORA) in the Office of Financial Management (OFM) in 2002 to help improve the regulatory system and assist citizens, businesses and project proponents by providing information and assistance on the regulatory process. ORA duties include providing information on best permitting practices and permit processing times; assisting with fully coordinated permit processes; maintaining a permit handbook; and working to improve environmental and business regulatory processes

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.

The mission of the Department of Commerce (Commerce) is to streamline access to business assistance and economic development services by providing them through sector-based, cluster-based, and regional partners. In addition, Commerce strives to diversify the state's economy, provide greater access to economic opportunity, stimulate private sector investment and entrepreneurship, and provide stable family-wage jobs.

A business regulatory efficiency program administered by Commerce was established in 2013. Commerce and ORA are authorized to conduct one or more annual multi-jurisdictional regulatory streamlining projects, beginning with the manufacturing sector. Upon completion of a streamlining project, the Department must document and distribute the streamlined laws, rules, and processes to the Association of Washington Cities and Washington State Association of Counties for distribution to their members.

Summary of Bill (Recommended Substitute): The ORA name is changed to the Office of Regulatory Innovation and Assistance (ORIA). Effective July 1, 2016, ORIA is transferred from OFM to Commerce and made a program within Commerce. The requirement that the Governor appoint a Director for ORIA is removed. The bargaining rights of all classified employees are not affected by the transfer. Commerce indirect costs cannot be charged against appropriations for ORIA.

Subject to amounts appropriated for this specific purpose, the ORIA must develop a long-term strategy for identifying and prioritizing multiagency regulatory processes that can be streamlined through better coordination. The strategy must be based on industry needs developed in collaboration with businesses. The ORIA must develop a timetable by January 1, 2017 for the prioritized regulatory processes to be streamlined. The ORIA must provide progress reports annually to the Governor and the Legislature.

Subject to amounts appropriated for this specific purpose, Commerce must develop business assistance materials to provide information about Washington's business and regulatory requirements and efforts to streamline government regulations. Business assistance efforts must be prioritized by collaborating with businesses in key industry sectors, including sectors participating in regulatory streamlining pilot projects.

Commerce must track the amount of federal economic development funding received and disbursed, along with any required matching amounts, and provide an annual report to the economic development committees in the Legislature. Commerce must coordinate with federal and state public research facilities to leverage federal funds coming to the state for research, development, innovation of new technologies, and transfer of technology to the private sector to promote business development and jobs in Washington.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Substitute): The multiagency regulatory process and business assistance materials programs are made subject to amounts appropriated for those purposes. Commerce indirect costs cannot be charged against appropriations for ORIA.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on July 1, 2016.

Staff Summary of Public Testimony: CON: Being part of the Governor's Office makes ORIA uniquely respected by other agencies that enables us to gain the cooperation from federal and state regulatory agencies that does not compromise natural resources or public safety. We have 24 hour access to the Governor that deal with regulatory issues with other agencies when there is gridlock. We work well with other agencies enabling us to help businesses large and small. Federal agencies recognize our office when we help businesses with projects of statewide significance. The Governor's Office is the best place for the agency to reside. For those who are not fans of government and bureaucracy, we are an office that can help make changes and cut through red tape. Our annual reports show the significant projects we have been involved in.

OTHER: Commerce is available is answer to any questions on the fiscal note.

Persons Testifying: CON: Jesus Saanchez, Governor's Office for Regulatory Innovation and Assistance.

OTHER: Nick Demerice, Commerce.

Persons Signed In To Testify But Not Testifying: No one.