

SENATE BILL REPORT

SB 6166

AS OF JANUARY 20, 1992

Brief Description: Reducing economic impact of agency rules on small businesses.

SPONSORS: Senators McCaslin, Rasmussen, Anderson, Snyder and Bluechel

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Staff: Barbara Howard (786-7410)

Hearing Dates:

BACKGROUND:

The Regulatory Fairness Act (Chap. 19.85 RCW), originally adopted in 1982, was designed as a mechanism for monitoring whether agency rules create unreasonable burdens on small businesses. The two components of the act are: (1) the requirement that each agency review and mitigate significant economic impacts of proposed rules on small businesses; and (2) a mandate that agencies adopt a 10-year plan for reviewing all rules and modifying those which impose an undue impact.

Concern has been expressed that agencies are not preparing adequate economic impact statements nor taking the economic impacts into account in drafting the rules, and that few agencies have complied with the 10-year plan requirement.

SUMMARY:

Existing rules. A new process for reviewing existing rules to determine economic impact is established for the following agencies: The State Apprenticeship Council; the Department of Ecology (for dangerous waste, toxic waste, underground storage tank and wastewater rules); the Department of Labor and Industries (for employment discrimination, industrial safety and health, and prevailing wage rules); the Department of Revenue (for excise tax rules); the Human Rights Commission (for employment discrimination and fair credit practice rules); and the State Fire Marshal.

The process is to be conducted in three stages:

- A list of rules which have an economic impact on small businesses must be prepared no later than the date for 1993-95 budget submittals. The list must be submitted to the Governor and the Office of Financial Management (OFM). If it is not transmitted on time, OFM must consider such inaction in making appropriation recommendations for the program involved.

- For each of the rules identified in the list, the agency must develop a small business economic impact statement no later than July 1, 1994. The economic impact statements must be consolidated into a single document.
- In addition, each agency must prepare a report detailing how it intends to reduce the economic impact of the rules for which the statements have been prepared. The report must be delivered to the Governor and OFM no later than the date for 1995-97 budget submittals. If the report is not submitted in time, OFM must take the inaction into consideration in making appropriation recommendations.

By September 1, 1992, the Business Assistance Center in the Department of Trade and Economic Development (DTED) must prepare guidelines for conducting the reviews under the new process.

Proposed rules. The economic impact statement required by the Regulatory Fairness Act must be prepared at least 45 days before publication in the Washington Register. During this period, the agency must solicit comments from interested parties and modify the rule if possible to minimize any identified economic impact.

A statement of the steps taken to minimize the economic impact must be included in the adoption notice for the rule.

Appropriation: none

Revenue: none

Fiscal Note: requested January 20, 1992