
HOUSE BILL 1660

State of Washington 52nd Legislature 1991 Regular Session

By Representatives Wilson, Haugen, Schmidt, Van Luven, Broback, Horn, May, Paris, Holland, Padden, Lisk, Chandler, P. Johnson, Morton, Forner, Wynne, Winsley, Kremen, Bowman and Tate.

Read first time February 5, 1991. Referred to Committee on State Government.

1 AN ACT Relating to state government; amending RCW 34.05.320; and
2 adding new sections to chapter 34.05 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 34.05 RCW
5 to read as follows:

6 The legislature hereby recognized the necessity of providing a
7 uniform and coordinated procedure for determining the fiscal impact of
8 rules proposed to be adopted, amended, or repealed by state agencies.
9 The legislature finds that many rules may be adopted, amended, or
10 repealed without assessment of the direct and indirect costs to
11 consumers and without consideration of these costs in relation to
12 benefits derived from the programs. The purpose of this section is to
13 establish procedures that assure the public that a state agency shall
14 not regulate or restrict the freedom of a person to conduct affairs,
15 utilize property, or deal with others on mutually agreeable terms,

1 without first evaluating, pursuant to established criteria, the fiscal
2 impact of the rule or restriction upon the state agency involved, other
3 subordinate governmental units affected, and the industry or commercial
4 entity regulated.

5 This section is not intended to replace the substantive objectives
6 of a law of the state of Washington; rather it is intended to establish
7 procedures where the consideration of the fiscal impact of proposed
8 rules is given appropriate consideration along with environmental,
9 social, health, and safety considerations.

10 NEW SECTION. **Sec. 2.** A new section is added to chapter 34.05 RCW
11 to read as follows:

12 (1) The office of financial management shall, in cooperation with
13 appropriate state agencies, establish a procedure for the provision of
14 fiscal impact statements, on the expected impact of rules proposed to
15 be adopted, amended, or repealed, by the state agency promulgating the
16 rules, the subordinate government units affected by the rules, and the
17 industries or commercial entities regulated by the rules. Rules
18 promulgated in response to federal requirements or promulgated for the
19 express purpose of prescribing guidelines for the internal
20 administration of an agency, unless the internal administrative rules
21 are determined to have significant short-term or long-term fiscal
22 consequences or to affect any increased program costs, are not subject
23 to the procedures established pursuant to this section for the
24 provision of fiscal impact statements.

25 (2) The fiscal impact statement shall include the following
26 information:

27 (a) A description of the action proposed, the purpose for taking
28 the action, the expected results and desired results, all statutes

1 purporting to authorize the action, and the plan for implementing and
2 enforcing the action;

3 (b) A determination of the least-cost method for achieving the
4 stated purpose, as compared with actual costs for the proposed action,
5 and an identification of alternative methods to achieve the stated
6 purpose;

7 (c) A comparison of the cost-benefit relation of the proposed
8 action to nonaction;

9 (d) A determination whether the proposed action represents the most
10 efficient allocation of public and private resources;

11 (e) An identification of public and private sector activities with
12 similar objectives and an assessment of the necessity of the proposed
13 action in light of these other activities;

14 (f) An analysis of the level of services and the quality of program
15 objectives to be achieved if the proposed action were approved;

16 (g) A determination of the effect of the action on competition and
17 on the overall economic welfare of the state; and

18 (h) An identification of the state agencies, subordinate
19 governmental units, and industries or commercial entities which might
20 be significantly and adversely affected, either directly or indirectly,
21 by the proposed action, and a conclusion regarding the extent of the
22 impact, including an analysis as to who will bear the costs of the
23 action and who will benefit directly or indirectly from the action.

24 **Sec. 3.** RCW 34.05.320 and 1989 c 175 s 7 are each amended to read
25 as follows:

26 (1) At least twenty days before the rule-making hearing at which
27 the agency receives public comment regarding adoption of a rule, the
28 agency shall cause notice of the hearing to be published in the state

1 register. The publication constitutes the proposal of a rule. The
2 notice shall include all of the following:

3 (a) A title, a description of the rule's purpose, and any other
4 information which may be of assistance in identifying the rule or its
5 purpose;

6 (b) Citations of the statutory authority for adopting the rule and
7 the specific statute the rule is intended to implement;

8 (c) A summary of the rule and a statement of the reasons supporting
9 the proposed action;

10 (d) The agency personnel, with their office location and telephone
11 number, who are responsible for the drafting, implementation, and
12 enforcement of the rule;

13 (e) The name of the person or organization, whether private,
14 public, or governmental, proposing the rule;

15 (f) Agency comments or recommendations, if any, regarding statutory
16 language, implementation, enforcement, and fiscal matters pertaining to
17 the rule;

18 (g) Whether the rule is necessary as the result of federal law or
19 federal or state court action, and if so, a copy of such law or court
20 decision shall be attached to the purpose statement;

21 (h) When, where, and how persons may present their views on the
22 proposed rule;

23 (i) The date on which the agency intends to adopt the rule;

24 (j) A short explanation of the rule, its purpose, and anticipated
25 effects, including in the case of a proposal that would modify existing
26 rules, a short description of the changes the proposal would make;

27 (~~and~~)

28 (k) A copy of the small business economic impact statement, if
29 applicable; and

1 (1) A summary of the estimated fiscal impact of the proposed rule,
2 prepared pursuant to section 2 of this act.

3 (2) Upon filing notice of the proposed rule with the code reviser,
4 the adopting agency shall have copies of the notice on file and
5 available for public inspection and shall forward three copies of the
6 notice to the rules review committee.

7 (3) No later than three days after its publication in the state
8 register, the agency shall cause a copy of the notice of proposed rule
9 adoption to be mailed to each person who has made a request to the
10 agency for a mailed copy of such notices. An agency may charge for the
11 actual cost of providing individual mailed copies of these notices.

12 (4) In addition to the notice required by subsections (1) and (2)
13 of this section, an institution of higher education shall cause the
14 notice to be published in the campus or standard newspaper of the
15 institution at least seven days before the rule-making hearing.

16 NEW SECTION. Sec. 4. If any provision of this act or its
17 application to any person or circumstance is held invalid, the
18 remainder of the act or the application of the provision to other
19 persons or circumstances is not affected.