
SENATE BILL 6166

State of Washington

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By Senators McCaslin, Rasmussen, Anderson, Snyder, Bluechel, Jesernig, Roach, Nelson, Barr and Erwin

Read first time 01/20/92. Referred to Committee on Governmental Operations.

1 AN ACT Relating to economic impact of agency rules on small
2 businesses; amending RCW 43.31.085 and 34.05.320; reenacting and
3 amending RCW 19.85.030; adding new sections to chapter 19.85 RCW; and
4 creating a new section.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that the growth
7 and complexity of state agency regulations affecting small business has
8 made it increasingly difficult for many small businesses to operate
9 competitively and profitably. Agency compliance with chapter 19.85
10 RCW, the regulatory fairness act, has been disappointing. Therefore,
11 it is the intent of the legislature that an additional process of
12 review be introduced to require agencies (1) to examine existing rules
13 in certain critical areas and (2) to take into account the potential

1 economic impact of regulations throughout the process of developing
2 administrative rules.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 19.85 RCW
4 to read as follows:

5 In addition to the requirements of RCW 19.85.050, the following
6 agencies are required to comply with the requirements of section 3 of
7 this act:

8 (1) The apprenticeship and training council;

9 (2) The department of ecology with respect to any rules regarding
10 dangerous waste, toxic waste, underground storage tanks, and
11 wastewater;

12 (3) The department of labor and industries with respect to any
13 rules regarding employment discrimination, industrial safety and
14 health, and prevailing wages;

15 (4) The department of revenue with respect to any rules regarding
16 excise taxes;

17 (5) The human rights commission with respect to any rules regarding
18 employment discrimination and fair credit practices; and

19 (6) The state fire marshal.

20 NEW SECTION. **Sec. 3.** A new section is added to chapter 19.85 RCW
21 to read as follows:

22 Each agency enumerated in section 2 of this act shall complete the
23 following requirements:

24 (1) Prepare an orderly list of individual rules and groups of
25 related existing rules that have an economic impact on small businesses
26 as defined in RCW 43.31.025. The list must identify whether a
27 regulation is required by any action of the federal government or the
28 courts, and whether such regulations are more stringent than those

1 required by federal or court action. The list must be delivered to the
2 governor and the office of financial management no later than the date
3 required for budget requests for the 1993-95 biennium.

4 If the appropriate list has not been transmitted in a timely
5 fashion, the office of financial management shall take such inaction
6 into consideration in making its recommendations to the governor and
7 the legislature for appropriations to the affected program and agency.

8 (2) For each rule identified in the list required by subsection (1)
9 of this section, the agency shall develop a small business economic
10 impact statement as required under this chapter, as it would apply to
11 an average small business that would be required to comply with the
12 rule. The economic impact statements for each program shall be
13 consolidated into a single document, and shall be completed no later
14 than July 1, 1994.

15 Copies of the documents shall be transmitted to the governor and
16 the office of financial management.

17 (3) Each agency shall prepare a detailed report demonstrating how
18 it intends to reduce the economic impact on small businesses of the
19 specific rules for which economic impact statements have been prepared
20 as required by subsection (2) of this section. The report must be
21 delivered to the governor and the office of financial management no
22 later than the time required for submittal of budget requests for the
23 1995-97 biennium.

24 If a report has not been transmitted in a timely fashion, the
25 office of financial management shall take such inaction into
26 consideration in making its recommendations to the governor and the
27 legislature for appropriations to the affected program and agency.

28 **Sec. 4.** RCW 43.31.085 and 1989 c 430 s 2 are each amended to read
29 as follows:

1 The business assistance center shall:

2 (1) Serve as the state's lead agency and advocate for the
3 development and conservation of businesses.

4 (2) Coordinate the delivery of state programs to assist businesses.

5 (3) Provide comprehensive referral services to businesses requiring
6 government assistance.

7 (4) Serve as the business ombudsman within state government and
8 advise the governor and the legislature of the need for new legislation
9 to improve the effectiveness of state programs to assist businesses.

10 (5) Aggressively promote business awareness of the state's business
11 programs and distribute information on the services available to
12 businesses.

13 (6) Develop, in concert with local economic development and
14 business assistance organizations, coordinated processes that
15 complement both state and local activities and services.

16 (7) The business assistance center shall work with other federal,
17 state, and local agencies and organizations to ensure that business
18 assistance services including small business, trade services, and
19 distressed area programs are provided in a coordinated and cost-
20 effective manner.

21 (8) In collaboration with the child care coordinating committee in
22 the department of social and health services, prepare and disseminate
23 information on child care options for employers and the existence of
24 the program. As much as possible, and through interagency agreements
25 where necessary, such information should be included in the routine
26 communications to employers from (a) the department of revenue, (b) the
27 department of labor and industries, (c) the department of community
28 development, (d) the employment security department, (e) the department
29 of trade and economic development, (f) the small business development
30 center, and (g) the department of social and health services.

1 (9) In collaboration with the child care coordinating committee in
2 the department of social and health services, compile information on
3 and facilitate employer access to individuals, firms, organizations,
4 and agencies that provide technical assistance to employers to enable
5 them to develop and support child care services or facilities.

6 (10) Actively seek public and private money to support the child
7 care facility fund described in RCW 43.31.502, staff and assist the
8 child care facility fund committee as described in RCW 43.31.504, and
9 work to promote applications to the committee for loan guarantees,
10 loans, and grants.

11 (11) Prepare guidelines for meeting the requirements of section 3
12 of this act. Copies of the guidelines shall be provided to the
13 governor, the office of financial management, and the director of each
14 of the agencies identified in section 2 of this act no later than
15 September 1, 1992.

16 **Sec. 5.** RCW 19.85.030 and 1989 c 374 s 2 and 1989 c 175 s 72 are
17 each reenacted and amended to read as follows:

18 In the adoption of any rule pursuant to RCW 34.05.320 that will
19 have an economic impact on more than twenty percent of all industries,
20 or more than ten percent of any one industry, the adopting agency:

21 (1) Shall reduce the economic impact of the rule on small business
22 by doing one or more of the following when it is legal and feasible in
23 meeting the stated objective of the statutes which are the basis of the
24 proposed rule:

25 (a) Establish differing compliance or reporting requirements or
26 timetables for small businesses;

27 (b) Clarify, consolidate, or simplify the compliance and reporting
28 requirements under the rule for small businesses;

29 (c) Establish performance rather than design standards;

1 (d) Exempt small businesses from any or all requirements of the
2 rule;

3 (2) Shall prepare a small business economic impact statement in
4 accordance with RCW 19.85.040 and file such statement with the code
5 reviser (~~along with~~) at least forty-five days prior to publication of
6 the notice required under RCW 34.05.320 during which time the adopting
7 agency shall solicit comments pursuant to RCW 34.05.310 and shall make
8 such modifications to the proposed rule as are feasible to minimize any
9 identified economic impact;

10 (3) May request assistance from the business assistance center in
11 the preparation of the small business economic impact statement.

12 **Sec. 6.** RCW 34.05.320 and 1989 c 175 s 7 are each amended to read
13 as follows:

14 (1) At least twenty days before the rule-making hearing at which
15 the agency receives public comment regarding adoption of a rule, the
16 agency shall cause notice of the hearing to be published in the state
17 register. The publication constitutes the proposal of a rule. The
18 notice shall include all of the following:

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

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

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

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

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

3 (f) Agency comments or recommendations, if any, regarding statutory
4 language, implementation, enforcement, and fiscal matters pertaining to
5 the rule;

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

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

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

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

15 (k) A copy of the small business economic impact statement, if
16 applicable, and a statement of steps taken to minimize the economic
17 impact in accordance with RCW 19.85.030.

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

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

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