
HOUSE BILL 2656

State of Washington

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By Representatives Sehlin, Lisk, Cooke, Carlson, Silver, Forner, Brumsickle, B. Thomas, Brough, Moak, Fuhrman, Dyer, Tate, Mielke, Backlund, Van Luven, Rayburn and Long

Read first time 01/19/94. Referred to Committee on State Government.

1 AN ACT Relating to rules; and adding a new section to chapter 34.05
2 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 (1)(a) Agencies proposing to adopt or amend a rule shall assess the
7 potential for adverse economic impact on Washington business
8 enterprises and individuals, avoiding the imposition of unnecessary or
9 unreasonable rules or reporting, recordkeeping, or compliance
10 requirements. For purposes of this section assessing the potential for
11 adverse economic impact requires agencies, when adopting new rules or
12 reviewing or amending existing rules, to adhere to the following
13 requirements, to the extent that these requirements do not conflict
14 with other state or federal laws:

15 (i) The rules shall be based on adequate information concerning the
16 need for, and consequences of, proposed governmental action.

17 (ii) The agency shall consider the impact on business when
18 initiating, processing, and adopting rules with consideration of
19 industries affected.

1 (b) If an agency, in proposing to adopt or amend an administrative
2 rule, determines that the action may have a significant adverse
3 economic impact on business, including the ability of Washington
4 businesses to compete with businesses in other states, it shall include
5 the following information in the notice of proposed action:

6 (i) Identification of the types of businesses that would be
7 affected;

8 (ii) A description of the projected reporting, recordkeeping, and
9 other compliance requirements that would result from the proposed
10 action;

11 (iii) The following statement: "The (name of agency) finds that
12 the (adoption/amendment) of this rule may have a significant adverse
13 economic impact on businesses, including the ability of Washington
14 businesses to compete with businesses in other states. The (name of
15 agency) (has/has not) considered proposed alternatives that would
16 lessen any adverse economic impact on business and invites you to
17 submit proposals. Submissions may include the following
18 considerations:

19 (A) The establishment of differing compliance or reporting
20 requirements or timetables that take into account the resources
21 available to businesses;

22 (B) Consolidation or simplification of compliance and reporting
23 requirements for businesses;

24 (C) The use of performance standards rather than prescriptive
25 standards;

26 (D) Exemption or partial exemption from the regulatory requirements
27 for businesses."

28 (2) The agency proposing to adopt or amend a rule shall refer in
29 the notice to any studies or relevant data that were relied upon in
30 making the determination that the rule has no adverse impact.

31 (3) If an agency, in adopting or amending an administrative rule,
32 determines that the action will not have a significant adverse economic
33 impact on business, including the ability of Washington businesses to
34 compete with businesses in other states, it shall make a declaration to
35 that effect in the notice of proposed action. In making this finding,
36 the agency shall provide, in the record, facts, evidence, documents, or
37 testimony, or other evidence upon which the agency relies to support
38 that finding.

1 (4) An agency shall also include in the notice of proposed action
2 a statement of the potential cost impact of the proposed action on
3 private persons or businesses directly affected, as considered by the
4 agency during the rule-making process.

5 For purposes of this subsection "cost impact" means the reasonable
6 range of costs, or a description of the type and extent of costs,
7 direct or indirect, that a representative private person or business
8 necessarily incurs in reasonable compliance with the proposed action.

9 (5) No administrative rule which requires a report shall apply to
10 businesses unless the agency adopting the rule makes a finding that it
11 is necessary for the health, safety, or welfare of the people of the
12 state that the rule apply to businesses.

13 This subsection applies only to administrative rules adopted on or
14 after January 1, 1995.

15 (6) For purposes of evaluating the impact on the ability of
16 Washington businesses to compete with businesses in other states, an
17 agency shall consider, but not be limited to, information supplied by
18 interested parties.

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