

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 2441**

Chapter 189, Laws of 2000

56th Legislature  
2000 Regular Session

SUNSET REVIEW

EFFECTIVE DATE: 6/8/00

Passed by the House March 8, 2000  
Yeas 98 Nays 0

CLYDE BALLARD  
**Speaker of the House of Representatives**

FRANK CHOPP  
**Speaker of the House of Representatives**

Passed by the Senate February 29, 2000  
Yeas 44 Nays 0

BRAD OWEN  
**President of the Senate**

Approved March 27, 2000

GARY LOCKE  
**Governor of the State of Washington**

CERTIFICATE

We, Timothy A. Martin and Cynthia Zehnder, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2441** as passed by the House of Representatives and the Senate on the dates hereon set forth.

CYNTHIA ZEHNDER  
**Chief Clerk**

TIMOTHY A. MARTIN  
**Chief Clerk**

FILED

March 27, 2000 - 5:07 p.m.

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 2441**

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AS AMENDED BY THE SENATE

Passed Legislature - 2000 Regular Session

**State of Washington                      56th Legislature                      2000 Regular Session**

**By** House Committee on State Government (originally sponsored by Representatives Wensman, Ogden, Rockefeller, McMorris, Alexander, Regala, Mielke, Doumit, Thomas, Kessler, Hatfield, O'Brien, Lisk, McDonald, Carlson, Conway, Mulliken, Koster, Woods, Talcott, Huff, Radcliff, Wolfe, Ruderman, Edmonds, Pflug, Parlette, Esser, Hurst and Benson; by request of Joint Legislative Audit & Review Committee)

Read first time . Referred to Committee on .

1            AN ACT Relating to government accountability through the state  
2 sunset review process; amending RCW 43.131.020, 43.131.030, 43.131.040,  
3 43.131.090, 43.131.100, 43.131.130, 43.131.150, and 43.131.900; adding  
4 new sections to chapter 43.131 RCW; repealing RCW 43.131.050,  
5 43.131.060, 43.131.070, and 43.131.080; and providing an expiration  
6 date.

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

8            **Sec. 1.** RCW 43.131.020 and 1977 ex.s. c 289 s 2 are each amended  
9 to read as follows:

10            The state legislature finds that state ((agencies)) entities may  
11 fail to deliver services as effectively and efficiently as is expected  
12 by the general public and as originally contemplated by the  
13 legislature. It further finds that state government actions have  
14 produced a substantial increase in numbers of ((agencies)) entities,  
15 growth of programs, and proliferation of rules ((and regulations)), and  
16 that the entire process has evolved without sufficient legislative and  
17 executive oversight, regulatory accountability, or a system of checks  
18 and balances. The legislature further finds that by establishing a  
19 system for the termination, continuation, or modification of state

1 ((agencies)) entities, coupled with a system of scheduled review of  
2 such ((agencies)) entities, it will be in a better position to:  
3 Evaluate the need for the continued existence of existing and future  
4 state ((agencies)) entities; assess the effectiveness and performance  
5 of agencies, boards, commissions, and programs; and ensure public  
6 accountability. The legislature recognizes that the executive branch  
7 shares in this duty and responsibility to assure that state government  
8 operates in an efficient, orderly, and responsive manner.

9       **Sec. 2.** RCW 43.131.030 and 1983 1st ex.s. c 27 s 1 are each  
10 amended to read as follows:

11       As used in this chapter the following words and phrases shall have  
12 the following meanings unless the context clearly requires otherwise.

13       (1) (~~("Committees of reference" means the standing legislative~~  
14 ~~committees designated by the senate and house of representatives to~~  
15 ~~consider termination, modification, or reestablishment of state~~  
16 ~~agencies pursuant to this chapter.)) "Entity" includes every state  
17 office, department, board, commission, unit or subunit, and agency of  
18 the state, and where provided by law, programs and activities involving  
19 less than the full responsibility of a state agency. "Entity" also  
20 includes any part of the Revised Code of Washington scheduled for  
21 repeal, expiration, or program termination.~~

22       (2) "Person" includes every natural person, firm, partnership,  
23 corporation, association, or organization.

24       (~~(3) "Regulatory entity" means any board, commission, agency,~~  
25 ~~division, or other unit or subunit of state government which licenses~~  
26 ~~or regulates one or more professions, occupations, industries,~~  
27 ~~businesses, or other endeavors in the state of Washington.~~

28       (4) ~~"State agency" includes every state office, department, board,~~  
29 ~~commission, regulatory entity and agency of the state, and where~~  
30 ~~provided by law, programs and activities involving less than the full~~  
31 ~~responsibility of a state agency.))~~

32       **Sec. 3.** RCW 43.131.040 and 1983 1st ex.s. c 27 s 2 are each  
33 amended to read as follows:

34       Any state ((agency)) entity scheduled for termination by the  
35 processes provided in this chapter may be reestablished by the  
36 legislature for a specified period of time or indefinitely. The  
37 legislature may again review the state ((agency)) entity in a manner

1 consistent with the provisions of this chapter and reestablish, modify,  
2 or consolidate such state ((agency)) entity or allow it to be  
3 terminated.

4 NEW SECTION. Sec. 4. A new section is added to chapter 43.131 RCW  
5 to read as follows:

6 The joint legislative audit and review committee shall conduct a  
7 program and fiscal review of any entity scheduled for termination under  
8 this chapter. This program and fiscal review shall be completed and a  
9 preliminary report prepared during the calendar year prior to the date  
10 established for termination. These reports shall be prepared in the  
11 manner set forth in RCW 44.28.071 and 44.28.075. Upon completion of  
12 its preliminary report, the joint legislative audit and review  
13 committee shall transmit copies of the report to the office of  
14 financial management and any affected entity. The final report shall  
15 include the response, if any, of the affected entity and the office of  
16 financial management in the same manner as set forth in RCW 44.28.088,  
17 except the affected entity and the office of financial management shall  
18 have sixty days to respond to the report. The joint legislative audit  
19 and review committee shall transmit the final report to the  
20 legislature, to the state entity affected, to the governor, and to the  
21 state library.

22 NEW SECTION. Sec. 5. A new section is added to chapter 43.131 RCW  
23 to read as follows:

24 (1) Any entity may be scheduled for sunset termination and review  
25 under this chapter by law.

26 (2) An entity scheduled for sunset termination shall establish  
27 performance measures, as required under subsection (3) of this section,  
28 and must be evaluated, in part, in terms of the results. The entity  
29 has the burden of demonstrating the extent to which performance results  
30 have been achieved. The sunset termination legislation shall name a  
31 lead entity, if more than one entity is impacted by scheduled  
32 termination. The affected entity or lead entity has the responsibility  
33 for developing and implementing a data collection plan and submitting  
34 the resulting performance information to the joint legislative audit  
35 and review committee.

36 (3) An entity shall develop performance measures and a data  
37 collection plan and submit them for review and comment to the joint

1 legislative audit and review committee within one year of the effective  
2 date of the legislation establishing the sunset termination.

3 (4) Unless specified otherwise, sunset terminations under this  
4 chapter shall be a minimum of seven years. The joint legislative  
5 audit and review committee shall complete its review in the year prior  
6 to the date of termination.

7 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.131 RCW  
8 to read as follows:

9 (1) In conducting the review of an entity, the joint legislative  
10 audit and review committee shall determine the scope and objectives of  
11 the review and consider, but not be limited to, the following factors,  
12 if applicable:

13 (a) The extent to which the entity has complied with legislative  
14 intent;

15 (b) The extent to which the entity is operating in an efficient and  
16 economical manner which results in optimum performance;

17 (c) The extent to which the entity is operating in the public  
18 interest by controlling costs;

19 (d) The extent to which the entity duplicates the activities of  
20 other entities or of the private sector;

21 (e) The extent to which the entity is meeting the performance  
22 measures developed under section 5 of this act; and

23 (f) The possible impact of the termination or modification of the  
24 entity.

25 (2) After completing the review under subsection (1) of this  
26 section, the committee shall make its recommendations to the  
27 legislature.

28 **Sec. 7.** RCW 43.131.090 and 1993 c 281 s 54 are each amended to  
29 read as follows:

30 Unless the legislature specifies a shorter period of time, a  
31 terminated ((state agency)) entity shall continue in existence until  
32 June 30th of the next succeeding year for the purpose of concluding its  
33 affairs: PROVIDED, That the powers and authority of the ((state  
34 agency)) entity shall not be reduced or otherwise limited during this  
35 period. Unless otherwise provided:

36 (1) All employees of terminated ((state agencies)) entities  
37 classified under chapter 41.06 RCW, the state civil service law, shall

1 be transferred as appropriate or as otherwise provided in the  
2 procedures adopted by the Washington personnel resources board pursuant  
3 to RCW 41.06.150;

4 (2) All documents and papers, equipment, or other tangible property  
5 in the possession of the terminated (~~state agency~~) entity shall be  
6 delivered to the custody of the (~~agency~~) entity assuming the  
7 responsibilities of the terminated (~~agency~~) entity or if such  
8 responsibilities have been eliminated, documents and papers shall be  
9 delivered to the state archivist and equipment or other tangible  
10 property to the department of general administration;

11 (3) All funds held by, or other moneys due to, the terminated  
12 (~~state agency~~) entity shall revert to the fund from which they were  
13 appropriated, or if that fund is abolished to the general fund;

14 (4) Notwithstanding the provisions of RCW 34.05.020, all rules made  
15 by a terminated (~~state agency~~) entity shall be repealed, without  
16 further action by the (~~state agency~~) entity, at the end of the period  
17 provided in this section, unless assumed and reaffirmed by the  
18 (~~agency~~) entity assuming the related legal responsibilities of the  
19 terminated (~~state agency~~) entity;

20 (5) All contractual rights and duties of (~~a state agency~~) an  
21 entity shall be assigned or delegated to the (~~agency~~) entity assuming  
22 the responsibilities of the terminated (~~state agency~~) entity, or if  
23 there is none to such (~~agency~~) entity as the governor shall direct.

24 **Sec. 8.** RCW 43.131.100 and 1977 ex.s. c 289 s 10 are each amended  
25 to read as follows:

26 This chapter shall not affect the right to institute or prosecute  
27 any cause of action by or against (~~a state agency~~) an entity  
28 terminated pursuant to this chapter if the cause of action arose prior  
29 to the end of the period provided in RCW 43.131.090. Such causes of  
30 action may be instituted, prosecuted, or defended in the name of the  
31 state of Washington by the office of the attorney general. Any hearing  
32 or other proceeding pending before (~~a state agency~~) an entity to be  
33 terminated and not completed before the end of the period provided in  
34 RCW 43.131.090, may be completed by the (~~agency~~) entity assuming the  
35 responsibilities of the terminated (~~state agency~~) entity.

36 **Sec. 9.** RCW 43.131.130 and 1977 ex.s. c 289 s 13 are each amended  
37 to read as follows:

1 Nothing in this chapter or RCW 43.06.010 (~~as now or hereafter~~  
2 ~~amended,~~) shall prevent the legislature from abolishing or modifying  
3 (~~a state agency~~) an entity scheduled for termination prior to the  
4 (~~agency's~~) entity's established termination date or from abolishing  
5 or modifying any other (~~state agency~~) entity.

6 **Sec. 10.** RCW 43.131.150 and 1983 1st ex.s. c 27 s 8 are each  
7 amended to read as follows:

8 The (~~state agencies and programs~~) entities scheduled for  
9 termination under this chapter shall be subject to all of the processes  
10 provided in this chapter.

11 NEW SECTION. **Sec. 11.** The following acts or parts of acts are  
12 each repealed:

13 (1) RCW 43.131.050 (Joint legislative audit and review committee  
14 and office of financial management--Duties--Reports required) and 1996  
15 c 288 s 43, 1990 c 297 s 2, 1979 c 22 s 1, & 1977 ex.s. c 289 s 5;

16 (2) RCW 43.131.060 (Joint legislative audit and review committee  
17 review of regulatory entity--Factors for consideration) and 1996 c 288  
18 s 44, 1988 c 17 s 1, & 1977 ex.s. c 289 s 6;

19 (3) RCW 43.131.070 (Joint legislative audit and review committee  
20 review of a state agency other than a regulatory entity--Factors for  
21 consideration) and 1996 c 288 s 45 & 1977 ex.s. c 289 s 7; and

22 (4) RCW 43.131.080 (Committees of reference--Powers and duties) and  
23 1996 c 288 s 46, 1989 c 175 s 109, 1983 1st ex.s. c 27 s 3, & 1977  
24 ex.s. c 289 s 8.

25 **Sec. 12.** RCW 43.131.900 and 1988 c 17 s 2 are each amended to read  
26 as follows:

27 RCW 43.131.010 through 43.131.150 shall expire on June 30, (~~2000~~)  
28 2015, unless extended by law for an additional fixed period of time.

29 NEW SECTION. **Sec. 13.** If any provision of this act or its  
30 application to any person or circumstance is held invalid, the  
31 remainder of the act or the application of the provision to other  
32 persons or circumstances is not affected.

Passed the House March 8, 2000.

Passed the Senate February 29, 2000.

Approved by the Governor March 27, 2000.

Filed in Office of Secretary of State March 27, 2000.