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**State Government Committee**

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**HB 1430**

**Brief Description:** Requiring state agencies to prepare housing impact statements.

**Sponsors:** Representatives Miloscia, Armstrong, Haigh and Benson.

**Brief Summary of Bill**

- Requires agencies to prepare a housing impact statement if a proposed rule will have a significant adverse impact on housing.

**Hearing Date:** 2/18/03

**Staff:** Marsha Reilly (786-7135).

**Background:**

The Regulatory Fairness Act was enacted in 1994 to reduce the disproportionate impact of state administrative rules on small business. As part of the rule-making process, an agency must prepare a small business economic impact statement (SBEIS) if: 1) the rule would impose more than minor costs on businesses in an industry; or 2) the Joint Administrative Rules Review Committee requests the agency to do so.

The SBEIS must analyze the compliance costs of the rule including lost revenue or sales, and increased labor, equipment, supply, or administrative costs. The SBEIS must determine whether the rule has a disproportionate impact on small businesses. If the rule has such an impact, the agency must, where legal and feasible, reduce the costs on small businesses. Such steps may include:

- 1) Reduce, modify, or eliminate substantive regulatory requirements;
- 2) Simplify, reduce, or eliminate recordkeeping and reporting requirements;
- 3) Reduce the frequency of inspections;
- 4) Delay compliance timetables;
- 5) Reduce or modify fine schedules for noncompliance; or
- 6) Any other mitigation techniques.

A SBEIS must also include a description of the reporting, record keeping, and other compliance requirements of the proposed rule, and the kinds of professional services that a small business is likely to need in order to comply with the rule. The agency must analyze the costs of compliance, including costs of equipment, supplies, labor, and increased administrative costs, and must consider whether compliance will cause businesses to lose sales or revenue. The SBEIS must analyze the cost of compliance with the rule.

The agency must include in the SBEIS the steps taken to reduce costs and involve small businesses in the development of the rule. It also must include a list of industries required to comply with the rule.

**Summary of Bill:**

As part of the rule-making process, an agency must prepare a housing impact statement (HIS) if the rule would have a significant adverse impact on housing. The Department of Community, Trade, and Economic Development must develop guidelines to determine whether a proposed rule would have a significant adverse impact on housing.

The HIS must identify the compliance costs of the rule in the same manner as a SBEIS. If the rule does have a significant adverse impact on housing, the agency must, where legal and feasible, reduce the significant adverse impact. The steps the agency has taken to reduce the impact must be listed in the HIS.

**Appropriation:** None.

**Fiscal Note:** Not Requested.

**Effective Date:** The bill takes effect ninety days after adjournment of session in which bill is passed.