
State Government Committee

HB 1492

Brief Description: Including nonprofits in the small business economic impact statement requirement.

Sponsors: Representatives Conway, Campbell, Cody, Skinner, Darneille, Sehlin and Kenney.

Brief Summary of Bill

- Includes nonprofits in the Small Business Economic Impact Statement requirement.

Hearing Date: 2/27/03

Staff: Anne Warwick (786-7291).

Background:

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

The SBEIS must include:

- a description of how small businesses will be involved in the development of the rule;
- an analysis of the costs of complying with the proposed rule, including whether compliance will result in loss of sales or revenue; and
- whether the rule will have a disproportionate impact on small businesses.

Additionally, the statement must identify any steps the agency took to reduce the cost of the rule on small businesses, or provide reasonable justification for not identifying those steps.

"Small business" is defined as any business entity with fifty or fewer employees, which is owned and operated independently from all other business with the purpose of making a profit.

Summary of Bill:

For the purposes of the Regulatory Fairness Act, the requirement that an entity affected by a rule must have "the purpose of making a profit" is deleted from the definition of "small business." Agencies preparing SBEIS must consider the effect of rules on nonprofit organizations, charitable organization and similar groups with fifty or fewer employees.

Appropriation: None.

Fiscal Note: Requested on February 19, 2004.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.