

# SENATE BILL REPORT

## SB 6406

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As of January 28, 2004

**Title:** An act relating to a small business exception to exhaustion of administrative remedies.

**Brief Description:** Exempting small businesses from exhaustion of administrative remedies.

**Sponsors:** Senators Hale, T. Sheldon, Roach, McCaslin, Rasmussen and Stevens.

**Brief History:**

**Committee Activity:** Government Operations & Elections: 1/28/04.

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

**Staff:** Diane Smith (786-7410)

**Background:** To challenge an agency action in court, the general rule under the Administrative Procedure Act (APA) is that all administrative remedies available within the agency whose action is being challenged must be exhausted before the court will hear the case. The following are exceptions to this general rule:

All rules proposed after July 1, 1989, are invalid unless adopted in substantial compliance with rule-making procedures. Actions contesting a rule on this basis must be commenced within two years of the effective date of the rule.

A declaratory judgment challenging the validity of a rule may be requested at any time it appears the rule or its threatened application interferes with, impairs, or immediately threatens to interfere with or impair the legal rights of the petitioner.

**Summary of Bill:** A small business that petitions for judicial review within two years of the agency action that it is contesting is not required to exhaust administrative remedies.

**Appropriation:** None.

**Fiscal Note:** Requested on January 28, 2004.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.