

SENATE BILL REPORT

SB 5730

As Reported By Senate Committee On:
International Trade & Economic Development, March 1, 2005

Title: An act relating to regulation of small businesses.

Brief Description: Reducing the impact of administrative rules on small businesses.

Sponsors: Senators Doumit, Zarelli, Eide, Shin, Rasmussen and Mulliken.

Brief History:

Committee Activity: International Trade & Economic Development: 2/10/05, 3/1/05 [DPS].

SENATE COMMITTEE ON INTERNATIONAL TRADE & ECONOMIC DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5730 be substituted therefor, and the substitute bill do pass.

Signed by Senators Shin, Chair; Sheldon, Vice Chair; Pflug, Ranking Minority Member; Doumit, Eide, Roach and Zarelli.

Staff: Jack Brummel (786-7428)

Background: Under current law, state agencies adopting rules are required to draft small business economic impact statements when a proposed rule will impose more than minor costs or when requested by the Joint Administrative Rules Review Committee (JARRC). Agencies are to have plans to periodically review their rules to assess whether changes would minimize the economic impact on small businesses.

JARRC may establish ad hoc advisory boards to assist in its rules review functions.

Summary of Substitute Bill: Agencies are required to consider a number of methods of reducing the impact of a proposed rule on small businesses, including mitigation techniques suggested by small businesses or their advocates. An agency receiving more than twenty written requests for review of a rule must review it to minimize the economic impact on small business. If the rule review identifies methods to reduce the economic impact of a rule by more than a minor cost while meeting the objectives of the applicable statute, the agency must initiate rule making to revise the rule. Agency decisions on initiating rule review and the timeliness of agency review are subject to judicial review.

Agencies are to provide notice on proposed rules for which a small business economic impact statement is required by direct notification of known interested parties, through publication likely to be obtained by small businesses, and posting on the agency web site.

JARRC is to establish a small business advisory board.

Substitute Bill Compared to Original Bill: Provisions in the original bill relating to agency rule review plans are replaced in the substitute with the requirement of rule review after receipt of more than twenty requests. The substitute also establishes a minor cost criterion for rule revision and allows for judicial review of agency decisions on initiating rule review and the timeliness of agency review.

Appropriation: None.

Fiscal Note: Requested on February 3, 2005.

Committee/Commission/Task Force Created: No.

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

Testimony For: Regulatory impacts are a huge concern of small businesses. The improvements in the bill are important. Rules review is important.

Testimony Against: None.

Other: The cost of implementation will be higher because of the cost of reviewing all rules. Rule review should not be considered every five years. The performance standard language should be amended out of the bill as it poses problems for a business.

Who Testified: PRO: Gary Smith, Independent Business Association; Carolyn Logue, Nat. Federation of Independent Businesses; Amber Carter, AWB. OTHER: Greg Sorlie, Dept. of Ecology; Ed Trezenburg, Carpenters Union.