

SENATE BILL REPORT

SB 5680

As Reported by Senate Committee On:
Trade & Economic Development, February 19, 2013

Title: An act relating to promoting economic development by providing information to businesses.

Brief Description: Promoting economic development by providing information to businesses.

Sponsors: Senators Brown, Chase, King, Litzow, Dammeier, Rivers, Schlicher, Smith, Braun, Parlette, Hewitt and Tom.

Brief History:

Committee Activity: Trade & Economic Development: 2/19/13 [DPS-WM].

SENATE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5680 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Braun, Chair; Smith, Vice Chair; Chase, Ranking Member; Holmquist Newbry, Schlicher and Shin.

Staff: Jack Brummel (786-7428)

Background: The Business Licensing Service (BLS) is the state's primary business licensing portal. It was created in the 1970s as the Master License Service at the Department of Licensing. In 2011, it was transferred to the Department of Revenue (Department). BLS has a statutory goal to provide a convenient, accessible, and timely one-stop system for the business community to acquire and maintain the necessary licenses to conduct business. BLS registers businesses, renews licenses, and provides related services for approximately 40,000 businesses monthly, and has more than 115 state licenses available through its website.

The State Auditor's Office (SAO) conducts state government audits, local government audits, and performance audits. On September 6, 2012, SAO released the performance audit Regulatory Reform: Communicating Regulatory Information and Streamlining Business Rules. Within the audit, SAO reported that 23 of 26 state regulatory agencies issue business licenses, and that state law requires full participation by 13 state agencies. The performance audit found that:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

- only the Department provides all of its licenses through the BLS website;
- only 16 percent of all the state's business licenses are available through the BLS website; and
- only two of the ten most-requested licenses are available through the BLS website.

The audit recommended that: the Legislature revise the statute to accurately reflect the specific agencies that issue business licenses; and the Legislature clarify that full participation by agencies requires them to provide information and applications for all of their business licenses on the BLS website.

Summary of Bill (Recommended Substitute): Two agencies are removed, and 13 agencies are added to the existing list of agencies that must fully participate in BLS. Fully participating is described as providing the Department with the application and information necessary to complete the application for every business license issued by an agency.

Each agency must annually provide information on its level of participation to the Department. The Department must compile the information and submit an aggregate report to the Legislature and Governor.

EFFECT OF CHANGES MADE BY TRADE & ECONOMIC DEVELOPMENT COMMITTEE (Recommended Substitute): Agencies must work with the Department to develop a timetable to fully participate by 2015.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: It is difficult for businesses to comply with regulatory requirements. This seeks to add 13 agencies to BLS. An entrepreneur would have trouble sorting through the mess – there are too many portals now. The early effort to streamline was an important step but there are many shortcomings. This bill will help start-ups when time and resources are so important to them. This is a critical effort.

Persons Testifying: PRO: Senator Brown, prime sponsor; Patrick Conner National Federation of Independent Businesses; Bob Mitchell, WA Realtors; Amber Carter, Assn. of WA Business.