

**SSB 6408** - H COMM AMD  
By Committee on Appropriations

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature reaffirms its findings  
4 that the licensing and regulation of businesses and professions  
5 requires periodic inspections, audits, interviews, site visits, or  
6 other oversight measures to verify that licensing, permit, and other  
7 regulatory requirements are met, and that unnecessary costs and  
8 delays may occur when business owners, particularly small business  
9 owners, must seek outside counsel or other professional assistance to  
10 prepare for and participate in review and enforcement actions such as  
11 audits, inspections, or examinations of their records, facilities, or  
12 job sites.

13 The legislature finds that agencies have a responsibility to  
14 provide a clear description of their audit, inspection, or  
15 examination processes to businesses and professions they regulate.  
16 This information must be clear, concise, and sufficient to provide  
17 regulated businesses and professions with an understanding of what  
18 they may expect before, during, and after an audit, inspection, or  
19 examination.

20 The legislature intends to improve and enhance communications  
21 between agencies and regulated businesses during audits, inspections,  
22 and examinations, but it does not intend to alter or limit existing  
23 regulatory requirements, obligations, or responsibilities of  
24 businesses.

25 NEW SECTION. **Sec. 2.** (1) By December 31, 2020, each state  
26 regulatory agency that conducts audits, inspections, or examinations  
27 within its regulatory authority over businesses and professions must  
28 provide, or provide references to, the following information at each  
29 audit, inspection, or examination:

30 (a) The purpose and legal authority for conducting the audit,  
31 inspection, or examination;

1 (b) If advance notice for an audit, inspection, or examination  
2 will not be provided, the basis for not providing advance notice;

3 (c) The auditor, inspector, or examiner must present  
4 identification at the start of an audit, inspection, or examination;

5 (d) The auditor, inspector, or examiner must provide contact  
6 information for a staff person who is available to answer questions  
7 regarding the audit, inspection, or examination;

8 (e) If existing procedures provide for a cure or correction, how  
9 the business may cure or correct a potential or actual violation  
10 during or after an audit, inspection, or examination to avoid or  
11 mitigate an administrative sanction, if any;

12 (f) How the business may provide past written agency advice or  
13 interpretations it relied upon for consideration in agency decisions;

14 (g) Whether the business may designate one or more individuals as  
15 official company representatives and have legal, accounting, safety,  
16 or other technical professionals participate in any audit,  
17 inspection, or examination; and

18 (h) What the next steps are in the process and a good faith  
19 estimate for future communication. Outcomes could include agency  
20 reports, findings, orders, or other documentation about the audit,  
21 inspection, or examination.

22 (2) The requirements specified in subsection (1) of this section  
23 do not apply:

24 (a) In emergency situations where environmental quality or worker  
25 or public safety, health, or welfare are in imminent danger;

26 (b) In emergency situations where there is imminent financial  
27 harm to a consumer or the public;

28 (c) In any criminal investigations or proceedings, including when  
29 a criminal justice agency as defined in RCW 10.97.030 exercises its  
30 law enforcement authority, or to an agency's undercover,  
31 surveillance, or seizure activities;

32 (d) To site visits conducted by employees, vendors, or  
33 contractors of a state regulatory agency if the purpose of the site  
34 visit is not related to verifying compliance with licensing or other  
35 regulatory requirements; or

36 (e) If they would create a conflict with federal or state law or  
37 unreasonably limit, delay, or prevent an agency from performing its  
38 statutorily authorized duties.



(5) Removes the requirement that agencies must provide information on how a business may respond to the outcome of an audit, inspection, or examination.

(6) Adds that the agency requirements are not applicable to emergency situations where there is imminent financial harm to a consumer or the public.

(7) Adds new language to the intent section clarifying that the legislature seeks to promote improved communication but not alter or limit existing regulatory requirements, obligations, or responsibilities of businesses.

(8) Specifies that "regulatory agencies" are the agencies listed in RCW 19.02.050 (1) through (24).

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