
HOUSE BILL 2577

State of Washington

66th Legislature

2020 Regular Session

By Representatives Barkis, Chapman, Schmick, Walen, Chambers, Corry, Tarleton, Leavitt, Vick, Dye, Cody, Macri, Stokesbary, Frame, Tharinger, Hoff, Pellicciotti, Gildon, Senn, Walsh, Dent, Dolan, Jenkin, Volz, Blake, Lekanoff, Van Werven, and Ybarra

Read first time 01/15/20. Referred to Committee on State Government & Tribal Relations.

1 AN ACT Relating to agency responsibilities to regulated
2 businesses and professions; adding a new chapter to Title 18 RCW;
3 creating new sections; and providing an expiration date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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

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

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

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

8 (b) Whether advance notice for an audit, inspection, or
9 examination will be provided, and if applicable, the basis for not
10 providing advance notice;

11 (c) The responsibility of the auditor, inspector, or examiner to
12 present identification during the audit, inspection, or examination;

13 (d) The responsibility of an auditor, inspector, or examiner to
14 provide contact information for a staff person who is available to
15 answer questions regarding the audit, inspection, or examination;

16 (e) Whether the business may cure or correct a potential or
17 actual violation during or after an audit, inspection, or examination
18 to avoid or mitigate an administrative sanction, if any;

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

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

25 (h) How the business may respond to the outcome of an audit,
26 inspection, or examination, what the next steps are in the process,
27 and a good faith estimate for future communication. Outcomes could
28 include agency reports, findings, orders, or other documentation
29 about the audit, inspection, or examination.

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

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

34 (b) In any criminal investigations or proceedings, or to an
35 agency's undercover, surveillance, or seizure activities; or

36 (c) 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.

1 NEW SECTION. **Sec. 3.** For the purposes of this chapter,
2 "regulatory" and "regulatory agency" have the same meaning as in RCW
3 19.02.020, but "regulatory agency" does not include any local
4 government entity.

5 NEW SECTION. **Sec. 4.** State regulatory agencies must post a
6 general description about the responsibilities specified in section 2
7 of this act on their web site. The posting does not have to include
8 specifics for each audit, inspection, or examination program, but
9 must indicate that the information will be provided at an audit,
10 inspection, or examination.

11 NEW SECTION. **Sec. 5.** (1) The joint legislative audit and review
12 committee shall review agencies' performance and compliance with this
13 chapter by December 31, 2023. The review must include surveying
14 regulated businesses to obtain their views on agency implementation
15 and identifying how views compare for small and large businesses.

16 (2) This section expires July 1, 2024.

17 NEW SECTION. **Sec. 6.** Sections 2 through 4 of this act
18 constitute a new chapter in Title 18 RCW.

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