
SUBSTITUTE HOUSE BILL 2104

State of Washington 52nd Legislature 1991 Regular Session

By House Committee on Agriculture & Rural Development (originally sponsored by Representatives Rayburn, McLean, Kremen, Grant, R. Johnson, Edmondson, Miller, Fuhrman, Chandler, D. Sommers, Padden, Morton, Ballard, Neher and Lisk).

Read first time March 6, 1991.

1 AN ACT Relating to agricultural activities; amending RCW 19.85.020
2 and 19.85.060; reenacting and amending RCW 19.85.030 and 19.85.040; and
3 creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that the history,
6 economy, culture, and future of Washington state largely involves
7 agriculture, which is vital to the economic well-being of the state.
8 Farmers and ranchers are responsible stewards of the land and managers
9 of the state's natural resources. They engage in a variety of diverse
10 business practices and operations. As a result, farm and ranch
11 activities are likely to fall within the purview of a larger number of
12 state regulatory programs than other small businesses. These programs,
13 taken individually, may not cause economic harm to agricultural
14 operations but, when considered cumulatively, may encourage or even
15 force the premature removal of lands from agricultural use.

1 **Sec. 2.** RCW 19.85.020 and 1989 c 374 s 1 are each amended to read
2 as follows:

3 Unless the context clearly indicates otherwise, the definitions in
4 this section apply through this chapter.

5 (1) "Small business" has the meaning given in RCW 43.31.025(4).

6 (2) "Small business economic impact statement" means a statement
7 meeting the requirements of RCW 19.85.040 prepared by a state agency
8 pursuant to RCW 19.85.030.

9 (3) "Industry" means all of the businesses in this state in any one
10 three-digit standard industrial classification as published by the
11 United States department of commerce.

12 (4) "Agricultural activity" means the commercial production of:

13 (a) Private sector cultured aquatic products as such products are
14 defined in RCW 15.85.020, including, but not limited to, the production
15 of fish and fish products by aquatic farmers; or (b) food and fiber
16 consistent with the principles of instruction of Washington State
17 University, including, but not limited to, the production of
18 agricultural, horticultural, viticultural, floricultural, dairy,
19 poultry, apiary, vegetable, herb, or animal products or of berries,
20 grain, hay, straw, turf, seed, Christmas trees, or livestock.

21 (5) "Agricultural economic impact statement" means a statement
22 meeting the requirements of RCW 19.85.040 prepared by a state agency
23 pursuant to RCW 19.85.030.

24 **Sec. 3.** RCW 19.85.030 and 1989 c 374 s 2 and 1989 c 175 s 72 are
25 each reenacted and amended to read as follows:

26 In the adoption of any rule pursuant to RCW 34.05.320 that will
27 have an economic impact on more than twenty percent of all industries,
28 or more than ten percent of any one industry, or any agricultural
29 activity the adopting agency:

1 (1) Shall reduce the economic impact of the rule on small business
2 or agricultural activities by doing one or more of the following when
3 it is legal and feasible in meeting the stated objective of the
4 statutes which are the basis of the proposed rule:

5 (a) Establish differing compliance or reporting requirements or
6 timetables for small businesses or agricultural activities;

7 (b) Clarify, consolidate, or simplify the compliance and reporting
8 requirements under the rule for small businesses;

9 (c) Establish performance rather than design standards;

10 (d) Exempt small businesses or agricultural activities from any or
11 all requirements of the rule;

12 (2) Shall prepare a small business economic impact statement or,
13 for an agricultural activity, a separate agricultural economic impact
14 statement in accordance with RCW 19.85.040 and file such statement with
15 the code reviser along with the notice required under RCW 34.05.320;

16 (3) May request assistance from the business assistance center in
17 the preparation of the small business economic impact statement; and

18 (4) May request assistance from the department of agriculture in
19 the preparation of the agricultural economic impact statement.

20 **Sec. 4.** RCW 19.85.040 and 1989 c 374 s 3 and 1989 c 175 s 73 are
21 each reenacted and amended to read as follows:

22 A small business economic impact statement or an agricultural
23 economic impact statement must include a brief description of the
24 reporting, recordkeeping, and other compliance requirements of the
25 rule, and the kinds of professional services that a small business is
26 likely to need in order to comply with such requirements and the kinds
27 of professional services or capital improvements or operating changes
28 that are likely for an agricultural activity in order to comply with
29 such requirements. (~~(A small business)~~) An economic impact statement

1 shall analyze, based on existing data, the costs of compliance for
2 businesses or agricultural activities required to comply with the
3 provisions of a rule adopted pursuant to RCW 34.05.320, including costs
4 of equipment, supplies, labor, and increased administrative costs(~~(7~~
5 ~~and))~~).

6 A small business economic impact statement shall compare to the
7 greatest extent possible the cost of compliance for small business with
8 the cost of compliance for the ten percent of firms which are the
9 largest businesses required to comply with the proposed new or
10 amendatory rules. The small business economic impact statement shall
11 use one or more of the following as a basis for comparing costs:

- 12 (1) Cost per employee;
- 13 (2) Cost per hour of labor;
- 14 (3) Cost per one hundred dollars of sales;
- 15 (4) Any combination of subsection (1), (2), or (3) of this section.

16 **Sec. 5.** RCW 19.85.060 and 1989 c 374 s 5 are each amended to read
17 as follows:

18 An agency is not required to prepare a small business economic
19 impact statement or an agricultural economic impact statement if the
20 agency files a statement that:

21 (1) The rule is being adopted solely for the purpose of conformity
22 or compliance, or both, with federal law or regulations; or

23 (2) The rule will have a minor or negligible economic impact. The
24 business assistance center shall develop guidelines for determining
25 whether a proposed rule will have minor or negligible impacts on small
26 businesses and the department of agriculture shall develop guidelines
27 for determining whether a proposed rule will have minor or negligible
28 impacts on agricultural activities. The business assistance center may
29 review a proposed rule that indicates that there is only a minor or

1 negligible economic impact on small businesses to determine if the
2 agency's finding is within the guidelines developed by the business
3 assistance center and the department may similarly review a proposed
4 rule that indicates there is only a minor or negligible economic impact
5 on agricultural activities. The business assistance center (~~is~~) and
6 the department are authorized to advise the joint administrative rules
7 review committee on disputes involving agency determinations under this
8 section.