

**FINAL BILL REPORT**

**SSB 5088**

**C 202 L 93**

**SYNOPSIS AS ENACTED**

**Brief Description:** Authorizing flexible approaches to developing administrative rules.

**SPONSORS:** Senate Committee on Government Operations (originally sponsored by Senators McCaslin and Barr)

**SENATE COMMITTEE ON GOVERNMENT OPERATIONS**

**HOUSE COMMITTEE ON STATE GOVERNMENT**

**BACKGROUND:**

There are a number of similarities between state and federal rule-making under the respective administrative procedure statutes. A relatively recent process which was developed at the federal level is known as negotiated rule-making, which was adopted at the suggestion of the Administrative Conference of the U.S. In this process, parties identified as interested in the development of a specific set of rules negotiate toward consensus before the formal proposal is filed for public notice and hearing. The Washington Administrative Procedure Act (APA) does not include provision for negotiated rule-making.

A related procedure, called a pilot rule, was used by the Department of Ecology (DOE) in the implementation of rules under a 1990 statute requiring facility operators to adopt hazardous waste reduction plans. Once the preliminary rules were in place, DOE convened a group of interested parties to test their application. As a result, significant amendments were adopted in 1991, with the goal of making the rules more workable. There is no statutory recognition of this type of collaboration in developing rules.

**SUMMARY:**

Legislative findings indicate that, while greater public participation in the rule-making process was encouraged by the 1988 revisions to the APA, situations still arise where adversarial relationships develop, and parties seem unable to focus on solutions, with the result of added costs for all. The legislative intent is to encourage flexible approaches in developing administrative rules. The use of these procedures is wholly within the discretion of the agencies.

Agencies are encouraged to continue soliciting comments on subjects of possible rule-making but also to use new procedures for reaching agreement among interested parties

before publication of notice and the adoption hearing on the rule. Among the suggestions is the use of negotiated rule-making. The criteria for conducting negotiated rule-making are made more specific, to include: (1) identifying persons interested in or affected by a proposed rule; (2) soliciting participation by persons who are capable and appropriately authorized to enter into such negotiations; (3) assuring that participants recognize the consequences of not participating, are committed to negotiate in good faith, and recognize alternatives available to other parties; (4) agreeing on a reasonable time period in which the agency will be bound by a rule resulting from negotiation; and (5) providing a mechanism for one or more parties to withdraw or for the process to be terminated if it appears consensus cannot be reached.

If it is determined that implementation of proposed or permanent rules may produce unreasonable economic or technical burdens, agencies are encouraged to develop methods for testing the feasibility of compliance with the rules, including the use of voluntary pilot study groups. Such methods should emphasize participation by interested parties, a high level of agency management involvement, and the need to reach consensus among the participants, assurance of fairness, reasonable completion dates, and a process by which a party may withdraw or the full process be terminated. Where appropriate, findings of the pilot project should be adopted as amendments to the rules.

**VOTES ON FINAL PASSAGE:**

Senate	44	0	
House	91	0	(House amended)
Senate	40	0	(Senate concurred)

**EFFECTIVE:** July 25, 1993