

SENATE BILL REPORT

SB 5545

As of February 6, 1997

Title: An act relating to procedures for fees for governmental services.

Brief Description: Requiring accountability for fees by governmental agencies.

Sponsors: Senators McCaslin, Benton, Morton, Zarelli, Horn, Bauer, Stevens, Hale, Anderson, Oke and Schow.

Brief History:

Committee Activity: Government Operations: 2/13/97.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Staff: Diane Smith (786-7410)

Background: Absent a specific statute, rule, ordinance or other law to the contrary, fees imposed by state agencies and local governments are paid into the general fund of the state or local government.

A state agency is required to prepare small business economic impact statements when the agency's proposed rule would impose more than minor costs on businesses in an industry or if requested to do so, within a limited period of time, by the Joint Administrative Rules Review Committee (JARRC). If the proposed rule would have a disproportionate impact on small business, the agency must reduce the costs the proposed rule imposes on small business.

The methodology for determining whether a proposed rule would have a disproportionate impact on small business is contained in the Small Business Economic Impact Statement (SBEIS). The SBEIS compares the cost of compliance for small business with the 10 percent of businesses that are the largest required to comply with the proposed rule. The SBEIS requires that the agency describe in detail the extra burdens the proposed rule places on small business, the costs associated with those burdens, and whether compliance with the rule causes the small business to lose money. The SBEIS must list the industries required to comply with the proposed rule, how the agency involves small business in the rulemaking process and the steps the agency has taken to reduce the costs of compliance with the proposed rule.

Summary of Bill: State and local government agencies are required to relate the fees they impose directly to the services given for the fees.

Agencies of state and local government must prepare economic impact statements on fee proposals. The Business Assistance Center must prepare a standardized checklist for the agencies to use as part of their economic impact statements. The checklist must be prepared using the guidelines for the contents of a SBEIS.

Appropriation: None.

Fiscal Note: Requested on February 5, 1997.

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