
HOUSE BILL 1040

State of Washington

56th Legislature

1999 Regular Session

By Representatives DeBolt and Hatfield

Read first time 01/12/1999. Referred to Committee on Economic Development, Housing & Trade.

1 AN ACT Relating to the rural area marketing plan; amending RCW
2 43.168.140, 43.163.210, 43.160.080, 19.85.011, 19.85.020, 19.85.025,
3 19.85.030, 19.85.040, 19.85.050, and 19.85.070; adding new sections to
4 chapter 43.31 RCW; adding a new section to chapter 28C.04 RCW; adding
5 a new section to chapter 19.85 RCW; and creating new sections.

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

7 NEW SECTION. **Sec. 1.** LEGISLATIVE RECOGNITION AND INTENT. The
8 legislature recognizes the economic hardship that rural distressed
9 areas throughout the state have undergone in recent years. Numerous
10 rural distressed areas across the state have encountered serious
11 economic downturns resulting in significant job loss and business
12 failure. In 1991 the legislature enacted two major pieces of
13 legislation to promote economic development and job creation, with
14 particular emphasis on worker training, income, and emergency services
15 support, along with community revitalization through planning services
16 and infrastructure assistance. However even though these programs have
17 been of assistance, rural distressed areas still face serious economic
18 problems including: Above-average unemployment rates from job losses
19 and below-average employment growth; low rate of business start-ups;

1 and persistent erosion of vitally important resource-dependent
2 industries.

3 The legislature also recognizes that rural distressed areas in
4 Washington have an abiding ability and consistent will to overcome
5 these economic obstacles by building upon their historic foundations of
6 business enterprise, local leadership, and outstanding work ethic.

7 The legislature intends to assist rural distressed areas in their
8 ongoing efforts to address these difficult economic problems by
9 providing a comprehensive and significant array of economic tools,
10 necessary to harness the persistent and undaunted spirit of enterprise
11 that resides in the citizens of rural distressed areas throughout the
12 state.

13 The further intent of this act is to provide:

14 (1) A strategically designed plan of assistance, emphasizing state,
15 local, and private sector leadership and partnership;

16 (2) A comprehensive and significant array of business assistance,
17 services, and tax incentives that are accountable and performance-
18 based;

19 (3) An array of community assistance including infrastructure
20 development and business retention, attraction, and expansion programs
21 that will provide a competitive advantage to rural distressed areas
22 throughout Washington; and

23 (4) Regulatory relief to reduce and streamline zoning, permitting,
24 and regulatory requirements in order to enhance the capability of
25 businesses to grow and prosper in rural distressed areas.

26 NEW SECTION. **Sec. 2.** GOALS. The primary goals of chapter . . . ,
27 Laws of 1999 (this act) are to:

28 (1) Promote and retain the operation of businesses in rural
29 distressed areas;

30 (2) Promote the expansion of existing businesses in rural
31 distressed areas;

32 (3) Attract new businesses to rural distressed areas;

33 (4) Assist in the development of new businesses from within rural
34 distressed areas;

35 (5) Provide family wage jobs to the citizens of rural distressed
36 areas; and

37 (6) Promote the development of communities of excellence in rural
38 distressed areas.

1 PART I

2 BUSINESS ASSISTANCE

3 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.31 RCW
4 to read as follows:

5 STATE OFFICE OF BUSINESS ASSISTANCE AND RECRUITMENT FOR RURAL
6 DISTRESSED AREAS. There is established within the department of
7 community, trade, and economic development the office of business
8 assistance and recruitment for rural distressed areas. The primary
9 responsibilities of the office are to coordinate and administer a
10 comprehensive and effective set of business assistance programs and
11 services including:

12 (1) Business recruitment. The office shall: Provide a
13 comprehensive and aggressive program to attract viable businesses to
14 rural distressed areas; work with local communities to identify select
15 industry sectors that have a competitive advantage in specific rural
16 distressed areas; collaborate with state and local officials to modify
17 their infrastructure plans and priorities to facilitate business
18 growth; and assist rural distressed areas in developing strategic
19 business recruitment plans.

20 (2) Business permitting and zoning one-stop shop. The office
21 shall: Provide a streamlined and customer driven siting service to
22 businesses in order to promote their attraction and expansion in rural
23 distressed areas; provide preliminary permit application and zoning
24 information and services for businesses in order to attract firms and
25 facilitate business growth in rural distressed areas.

26 (3) Business regulatory assistance and ombudsman services. The
27 office shall: Provide comprehensive business regulatory services to
28 assist businesses in addressing and responding to local, state, and
29 federal regulations; and provide recommendations on streamlining and
30 modifying government regulations.

31 (a) The office is authorized to review state zoning, permitting, or
32 regulatory requirements that pose difficulty for businesses wishing or
33 likely to site in a rural enterprise area. In situations where the
34 office considers the zoning, permitting, or regulatory requirements
35 placed on a business in a rural enterprise area to be burdensome the
36 director may petition the regulatory agency or agencies for regulatory
37 relief. In addition the director may petition the agency or agencies
38 for relief under the regulatory fairness act, chapter 19.85 RCW.

1 (b) In situations where a business or entity in a rural enterprise
2 zone is encountering regulatory oversight from more than one state
3 agency and is experiencing conflicting direction or an unintended
4 consequence as a result of a confusing process, the business or entity
5 may petition the director to intercede. The director upon review of
6 the circumstances involved is authorized to designate a lead agency to
7 collaborate with other state agencies in order to streamline and reduce
8 the regulatory difficulties.

9 (c) Businesses or entities in a rural enterprise zone may petition
10 the director for an accelerated zoning, permitting, or regulatory
11 process. The director upon reviewing the petition and the
12 circumstances involved may make a finding of regulatory burden and may
13 direct the state agency or agencies to process the business or
14 entities' application in an expeditious manner.

15 (4) "Brown Fields" Program. The office shall develop with the
16 department of ecology and recommend to the legislature a streamlined
17 and cost-effective process to redevelop hazardous sites that are
18 suitable for industrial and commercial growth in order to promote
19 industrial and commercial growth in rural distressed areas.

20 (5) Rural enterprise zone development and foreign trade zone. The
21 office is authorized to provide technical assistance to local
22 governments in rural distressed areas to establish rural enterprise
23 zones and foreign trade zones. The office shall target rural
24 enterprise zones and foreign trade zones in the delivery of its
25 services in order to maximize the impact of its economic development
26 assistance as outlined in RCW 43.63A.715 to businesses and rural
27 distressed areas.

28 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.31 RCW
29 to read as follows:

30 OFFICE ADMINISTRATION. The office shall be administered by an
31 appointee of the director of community, trade, and economic
32 development, in consultation with the rural distressed areas economic
33 recovery coordination board. The office appointee shall coordinate
34 activities with the rural distressed areas resource coordinator and
35 report on the activities and performance of the office on a quarterly
36 basis.

1 NEW SECTION. **Sec. 5.** A new section is added to chapter 28C.04 RCW
2 to read as follows:

3 JOB SKILLS/RURAL DISTRESSED AREA EMPLOYEE TRAINING. At least
4 seventy-five percent of all discretionary expenditures in the job
5 skills program shall be made to assist businesses in rural distressed
6 areas. For the purposes of this section, "rural distressed area" means
7 the same as "rural natural resources impact area" under RCW 43.31.601.

8 **Sec. 6.** RCW 43.168.140 and 1995 c 226 s 28 are each amended to
9 read as follows:

10 RURAL DISTRESSED AREAS. Any funds appropriated by the legislature
11 to the development loan fund for purposes of the timber recovery act
12 shall be used for development loans in rural (~~(natural resources impact~~
13 ~~areas as defined in RCW 43.31.601)) distressed areas. At least
14 seventy-five percent of all discretionary expenditures shall be to
15 assist businesses in rural distressed areas. For the purposes of this
16 section, "rural distressed area" means the same as "rural natural
17 resources impact area" under RCW 43.31.601.~~

18 **Sec. 7.** RCW 43.163.210 and 1998 c 48 s 2 are each amended to read
19 as follows:

20 For the purpose of facilitating economic development in the state
21 of Washington and encouraging the employment of Washington workers at
22 meaningful wages:

23 (1) The authority may develop and conduct a program or programs to
24 provide nonrecourse revenue bond financing for the project costs for
25 economic development activities.

26 (2) The authority may develop and conduct a program that will
27 stimulate and encourage the development of new products within
28 Washington state by the infusion of financial aid for invention and
29 innovation in situations in which the financial aid would not otherwise
30 be reasonably available from commercial sources. The authority is
31 authorized to provide nonrecourse revenue bond financing for this
32 program.

33 (a) For the purposes of this program, the authority shall have the
34 following powers and duties:

35 (i) To enter into financing agreements with eligible persons doing
36 business in Washington state, upon terms and on conditions consistent
37 with the purposes of this chapter, for the advancement of financial and

1 other assistance to the persons for the development of specific
2 products, procedures, and techniques, to be developed and produced in
3 this state, and to condition the agreements upon contractual assurances
4 that the benefits of increasing or maintaining employment and tax
5 revenues shall remain in this state and accrue to it;

6 (ii) Own, possess, and take license in patents, copyrights, and
7 proprietary processes and negotiate and enter into contracts and
8 establish charges for the use of the patents, copyrights, and
9 proprietary processes when the patents and licenses for products result
10 from assistance provided by the authority;

11 (iii) Negotiate royalty payments to the authority on patents and
12 licenses for products arising as a result of assistance provided by the
13 authority;

14 (iv) Negotiate and enter into other types of contracts with
15 eligible persons that assure that public benefits will result from the
16 provision of services by the authority; provided that the contracts are
17 consistent with the state Constitution;

18 (v) Encourage and provide technical assistance to eligible persons
19 in the process of developing new products;

20 (vi) Refer eligible persons to researchers or laboratories for the
21 purpose of testing and evaluating new products, processes, or
22 innovations; and

23 (vii) To the extent permitted under its contract with eligible
24 persons, to consent to a termination, modification, forgiveness, or
25 other change of a term of a contractual right, payment, royalty,
26 contract, or agreement of any kind to which the authority is a party.

27 (b) Eligible persons seeking financial and other assistance under
28 this program shall forward an application, together with an application
29 fee prescribed by rule, to the authority. An investigation and report
30 concerning the advisability of approving an application for assistance
31 shall be completed by the staff of the authority. The investigation
32 and report may include, but is not limited to, facts about the company
33 under consideration as its history, wage standards, job opportunities,
34 stability of employment, past and present financial condition and
35 structure, pro forma income statements, present and future markets and
36 prospects, integrity of management as well as the feasibility of the
37 proposed product and invention to be granted financial aid, including
38 the state of development of the product as well as the likelihood of
39 its commercial feasibility. After receipt and consideration of the

1 report set out in this subsection and after other action as is deemed
2 appropriate, the application shall be approved or denied by the
3 authority. The applicant shall be promptly notified of action by the
4 authority. In making the decision as to approval or denial of an
5 application, priority shall be given to those persons operating or
6 planning to operate businesses of special importance to Washington's
7 economy, including, but not limited to: (i) Existing resource-based
8 industries of agriculture, forestry, and fisheries; (ii) existing
9 advanced technology industries of electronics, computer and instrument
10 manufacturing, computer software, and information and design; and (iii)
11 emerging industries such as environmental technology, biotechnology,
12 biomedical sciences, materials sciences, and optics.

13 (3) The authority may also develop and implement, if authorized by
14 the legislature, such other economic development financing programs
15 adopted in future general plans of economic development finance
16 objectives developed under RCW 43.163.090.

17 (4) The authority shall develop a program and target their
18 resources in assisting rural distressed areas in their business and job
19 creation and assistance efforts under chapter . . . , Laws of 1999 (this
20 act). For the purposes of this section, "rural distressed area" means
21 the same as "rural natural resources impact area" under RCW 43.31.601.

22 (5) The authority may not issue any bonds for the programs
23 authorized under this section after June 30, 2004.

24 PART II

25 COMMUNITY INFRASTRUCTURE

26 **Sec. 8.** RCW 43.160.080 and 1998 c 321 s 30 are each amended to
27 read as follows:

28 There shall be a fund in the state treasury known as the public
29 facilities construction loan revolving account, which shall consist of
30 all moneys collected under this chapter, except moneys of the board
31 collected in connection with the issuance of industrial development
32 revenue bonds and moneys deposited in the distressed county public
33 facilities construction loan account under RCW 43.160.220, and any
34 moneys appropriated to it by law(~~(:~~—PROVIDED, ~~That~~ seventy five
35 percent of all principal and interest payments on loans made with the
36 proceeds deposited in the account under section 901, chapter 57, Laws
37 of 1983 1st ex. sess. shall be deposited in the general fund as

1 reimbursement for debt service payments on the bonds authorized in RCW
2 43.83.184)). Disbursements from the revolving account shall be on
3 authorization of the board. In order to maintain an effective
4 expenditure and revenue control, the public facilities construction
5 loan revolving account shall be subject in all respects to chapter
6 43.88 RCW.

7
8 **PART III**
REGULATORY FAIRNESS

9 **Sec. 9.** RCW 19.85.011 and 1994 c 249 s 9 are each amended to read
10 as follows:

11 RURAL DISTRESSED AREAS REGULATORY FAIRNESS ACT. The legislature
12 finds that administrative rules adopted by state agencies can have a
13 disproportionate impact on the state's small businesses and rural
14 distressed areas because of the size of those businesses and
15 communities. This disproportionate impact reduces competition,
16 innovation, employment, and new employment opportunities, and threatens
17 the very existence of some small businesses and rural distressed areas.
18 The legislature therefore enacts the Regulatory Fairness Act with the
19 intent of reducing the disproportionate impact of state administrative
20 rules on small business and rural distressed areas.

21 **Sec. 10.** RCW 19.85.020 and 1994 c 249 s 10 are each amended to
22 read as follows:

23 Unless the context clearly indicates otherwise, the definitions in
24 this section apply through this chapter.

25 (1) "Small business" means any business entity, including a sole
26 proprietorship, corporation, partnership, or other legal entity, that
27 is owned and operated independently from all other businesses, that has
28 the purpose of making a profit, and that has fifty or fewer employees.

29 (2) "Small business or rural distressed areas economic impact
30 statement" means a statement meeting the requirements of RCW 19.85.040
31 prepared by a state agency pursuant to RCW 19.85.030.

32 (3) "Industry" means all of the businesses in this state in any one
33 four-digit standard industrial classification as published by the
34 United States department of commerce. However, if the use of a four-
35 digit standard industrial classification would result in the release of

1 data that would violate state confidentiality laws, "industry" means
2 all businesses in a three-digit standard industrial classification.

3 (4) "Rural distressed areas" means the same as natural resource
4 impact area under RCW 43.31.601.

5 **Sec. 11.** RCW 19.85.025 and 1997 c 409 s 212 are each amended to
6 read as follows:

7 (1) Unless an agency receives a written objection to the expedited
8 repeal of a rule, this chapter does not apply to a rule proposed for
9 expedited repeal pursuant to RCW 34.05.354. If an agency receives a
10 written objection to expedited repeal of the rule, this chapter applies
11 to the rule-making proceeding.

12 (2) This chapter does not apply to a rule proposed for expedited
13 adoption under RCW 34.05.230 (1) through (8), unless a written
14 objection is timely filed with the agency and the objection is not
15 withdrawn.

16 (3) This chapter does not apply to the adoption of a rule described
17 in RCW 34.05.310(4).

18 (4) An agency is not required to prepare a separate small business
19 or rural distressed areas economic impact statement under RCW 19.85.040
20 if it prepared an analysis under RCW 34.05.328 that meets the
21 requirements of a small business or rural distressed areas economic
22 impact statement, and if the agency reduced the costs imposed by the
23 rule on small business or rural distressed areas to the extent required
24 by RCW 19.85.030(3). The portion of the analysis that meets the
25 requirements of RCW 19.85.040 shall be filed with the code reviser and
26 provided to any person requesting it in lieu of a separate small
27 business or rural distressed areas economic impact statement.

28 **Sec. 12.** RCW 19.85.030 and 1995 c 403 s 402 are each amended to
29 read as follows:

30 (1) In the adoption of a rule under chapter 34.05 RCW, an agency
31 shall prepare a small business or rural distressed areas economic
32 impact statement: (a) If the proposed rule will impose more than minor
33 costs on businesses in an industry or rural distressed areas; or (b) if
34 requested to do so by a majority vote of the joint administrative rules
35 review committee within forty-five days of receiving the notice of
36 proposed rule making under RCW 34.05.320. However, if the agency has
37 completed the pilot rule process as defined by RCW 34.05.313 before

1 filing the notice of a proposed rule, the agency is not required to
2 prepare a small business or rural distressed areas economic impact
3 statement.

4 An agency shall prepare the small business or rural distressed
5 areas economic impact statement in accordance with RCW 19.85.040, and
6 file it with the code reviser along with the notice required under RCW
7 34.05.320. An agency shall file a statement prepared at the request of
8 the joint administrative rules review committee with the code reviser
9 upon its completion before the adoption of the rule. An agency shall
10 provide a copy of the small business or rural distressed areas economic
11 impact statement to any person requesting it.

12 An agency may request assistance from (~~the business assistance~~
13 ~~center~~) the affected businesses or rural distressed areas in the
14 preparation of the small business or rural distressed areas economic
15 impact statement.

16 (2) (~~The business assistance center~~) Agencies shall develop
17 guidelines to assist (~~agencies~~) in determining whether a proposed
18 rule will impose more than minor costs on businesses in an industry or
19 rural distressed areas and therefore require preparation of a small
20 business or rural distressed areas economic impact statement. The
21 (~~business assistance center~~) affected businesses or rural distressed
22 areas may review an agency determination that a proposed rule will not
23 impose such costs, and shall advise the joint administrative rules
24 review committee on disputes involving agency determinations under this
25 section.

26 (3) Based upon the extent of disproportionate impact on small
27 business or rural distressed areas identified in the statement prepared
28 under RCW 19.85.040, the agency shall, where legal and feasible in
29 meeting the stated objectives of the statutes upon which the rule is
30 based, reduce the costs imposed by the rule on small businesses or
31 rural distressed areas. Methods to reduce the costs on small
32 businesses or rural distressed areas may include:

33 (a) Reducing, modifying, or eliminating substantive regulatory
34 requirements;

35 (b) Simplifying, reducing, or eliminating recordkeeping and
36 reporting requirements;

37 (c) Reducing the frequency of inspections;

38 (d) Delaying compliance timetables;

39 (e) Reducing or modifying fine schedules for noncompliance; or

1 (f) Any other mitigation techniques.

2 **Sec. 13.** RCW 19.85.040 and 1995 c 403 s 403 are each amended to
3 read as follows:

4 (1) A small business or rural distressed areas economic impact
5 statement must include a brief description of the reporting,
6 recordkeeping, and other compliance requirements of the proposed rule,
7 and the kinds of professional services that a small business or rural
8 distressed areas is likely to need in order to comply with such
9 requirements. It shall analyze the costs of compliance for businesses
10 or rural distressed areas required to comply with the proposed rule
11 adopted pursuant to RCW 34.05.320, including costs of equipment,
12 supplies, labor, and increased administrative costs. It shall
13 consider, based on input received, whether compliance with the rule
14 will cause businesses or rural distressed areas to lose sales or
15 revenue. To determine whether the proposed rule will have a
16 disproportionate impact on small businesses or rural distressed areas,
17 the impact statement must compare the cost of compliance for small
18 business or rural distressed areas with the cost of compliance for the
19 ten percent of businesses or rural distressed areas that are the
20 largest businesses or rural distressed areas required to comply with
21 the proposed rules using one or more of the following as a basis for
22 comparing costs:

- 23 (a) Cost per employee;
- 24 (b) Cost per hour of labor; or
- 25 (c) Cost per one hundred dollars of sales.

26 (2) A small business or rural distressed areas economic impact
27 statement must also include:

28 (a) A statement of the steps taken by the agency to reduce the
29 costs of the rule on small businesses or rural distressed areas as
30 required by RCW 19.85.030(3), or reasonable justification for not doing
31 so, addressing the options listed in RCW 19.85.030(3);

32 (b) A description of how the agency will involve small businesses
33 and rural distressed areas in the development of the rule; and

34 (c) A list of industries or rural distressed areas that will be
35 required to comply with the rule. However, this subsection (2)(c)
36 shall not be construed to preclude application of the rule to any
37 business (~~(or)~~), industry, or rural distressed areas to which it would
38 otherwise apply.

1 (3) To obtain information for purposes of this section, an agency
2 may survey a representative sample of affected businesses (~~(or)~~), trade
3 associations, and rural distressed areas and should, whenever possible,
4 appoint a committee under RCW 34.05.310(2) to assist in the accurate
5 assessment of the costs of a proposed rule, and the means to reduce the
6 costs imposed on small business and rural distressed areas.

7 **Sec. 14.** RCW 19.85.050 and 1989 c 175 s 74 are each amended to
8 read as follows:

9 (1) Within one year after (~~June 10, 1982~~) the effective date of
10 this act, each agency shall publish and deliver to the office of
11 financial management and to all persons who make requests of the agency
12 for a copy of a plan to periodically review all rules then in effect
13 and which have been issued by the agency which have an economic impact
14 on more than twenty percent of all industries or ten percent of the
15 businesses in any one industry or significant number of rural
16 distressed areas. Such plan may be amended by the agency at any time
17 by publishing a revision to the review plan and delivering such revised
18 plan to the office of financial management and to all persons who make
19 requests of the agency for the plan. The purpose of the review is to
20 determine whether such rules should be continued without change or
21 should be amended or rescinded, consistent with the stated objectives
22 of applicable statutes, to minimize the economic impact on small
23 businesses or rural distressed areas as described by this chapter. The
24 plan shall provide for the review of all such agency rules in effect on
25 (~~June 10, 1982~~) the effective date of this act, within ten years of
26 that date.

27 (2) In reviewing rules to minimize any significant economic impact
28 of the rule on small businesses or rural distressed areas as described
29 by this chapter, and in a manner consistent with the stated objectives
30 of applicable statutes, the agency shall consider the following
31 factors:

32 (a) The continued need for the rule;

33 (b) The nature of complaints or comments received concerning the
34 rule from the public;

35 (c) The complexity of the rule;

36 (d) The extent to which the rule overlaps, duplicates, or conflicts
37 with other state or federal rules, and, to the extent feasible, with
38 local governmental rules; and

1 (e) The degree to which technology, economic conditions, or other
2 factors have changed in the subject area affected by the rule.

3 (3) Each year each agency shall publish a list of rules which are
4 to be reviewed pursuant to this section during the next twelve months
5 and deliver a copy of the list to the office of financial management
6 and all persons who make requests of the agency for the list. The list
7 shall include a brief description of the legal basis for each rule as
8 described by RCW 34.05.360, and shall invite public comment upon the
9 rule.

10 **Sec. 15.** RCW 19.85.070 and 1992 c 197 s 1 are each amended to read
11 as follows:

12 When any rule is proposed for which a small business or rural
13 distressed areas economic impact statement is required, the adopting
14 agency shall provide notice to small businesses and rural distressed
15 areas of the proposed rule through any of the following:

16 (1) Direct notification of known interested small businesses
17 ~~((or))~~, trade organizations, and rural distressed areas affected by the
18 proposed rule; or

19 (2) Providing information of the proposed rule making to
20 publications likely to be obtained by small businesses and the
21 legislative authority of rural distressed areas of the types affected
22 by the proposed rule.

23 NEW SECTION. **Sec. 16.** A new section is added to chapter 19.85 RCW
24 to read as follows:

25 The office of business assistance and recruitment for rural
26 distressed areas is authorized to:

27 (1) Petition state agencies for regulatory relief for businesses or
28 other entities in rural distressed areas that encounter regulatory
29 problems;

30 (2) Designate a lead state agency when businesses or other entities
31 in a rural enterprise zone are encountering conflicting or confusing
32 regulatory requirements from more than one state agency; and

33 (3) Direct a state regulatory agency or agencies to accelerate a
34 permitting, zoning, or regulatory requirement according to the
35 requirements outlined in section 3(3) of this act.

1

PART IV

2

EVALUATION

3 NEW SECTION. **Sec. 17.** REVIEW AND EVALUATION. The joint
4 legislative audit and review committee shall design an evaluation
5 mechanism for economically distressed counties under this act and
6 undertake an evaluation of this act's effectiveness by November 1,
7 2003. The agencies implementing the programs under this act shall
8 assist the joint legislative audit and review committee evaluation.

9

PART V

10

MISCELLANEOUS

11 NEW SECTION. **Sec. 18.** If any part of this act is found to be in
12 conflict with federal requirements that are a prescribed condition to
13 the allocation of federal funds to the state, the conflicting part of
14 this act is inoperative solely to the extent of the conflict and with
15 respect to the agencies directly affected, and this finding does not
16 affect the operation of the remainder of this act in its application to
17 the agencies concerned. The rules under this act shall meet federal
18 requirements that are a necessary condition to the receipt of federal
19 funds by the state.

20 NEW SECTION. **Sec. 19.** Section captions and part headings used in
21 this act are not any part of the law.

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