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**State Government Committee**

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**HB 1877**

**Brief Description:** Modifying state agency rules for setting fees and rates.

**Sponsors:** Representatives Shabro, Armstrong, Miloscia, Tom, Nixon, Woods and Condotta.

**Brief Summary of Bill**

- Agencies are not required to follow the procedures for adopting rules when a proposed rule will set or adjust fees or rates to "match fees or rates that are explicitly set in statute."

**Hearing Date:** 2/27/03

**Staff:** Marsha Reilly (786-7135).

**Background:**

The Administrative Procedure Act (APA) details procedures that state agencies are required to follow when adopting rules. First, an agency is required to prepare a "statement of intent" and solicit comments from the public on a subject of possible rule-making. When the agency is ready to hold a hearing on a proposed rule, it publishes a notice in the state register. A hearing is held and comments are received. An agency is required to consider, summarize, and respond to the oral and written comments it receives. The agency may then withdraw the rule, modify it, or adopt the rule as proposed.

The departments of Ecology, Labor and Industries, Health, Revenue, Social and Health Services, Fish and Wildlife and Natural Resources, the Employment Security Department, the Forest Practices Board, and the Office of the Insurance Commissioner are subject to additional requirements when adopting significant rules. Before adopting significant legislative rules, an agency must file an implementation plan. The plan must detail how the agency plans to implement and enforce the rule, how the public will be informed about the rule, how the agency will promote and assist voluntary compliance with the rule, and how the agency will evaluate the effectiveness of the rule.

Under current statute, agencies are not required to follow the procedures for adopting rules when a proposed rule will set or adjust fees or rates "pursuant to legislative standards."

**Summary of Bill:**

Agencies are not required to follow the procedures for adopting rules when a proposed rule will set or adjust fees or rates to "match fees or rates that are explicitly set in statute."

**Appropriation:** None.

**Fiscal Note:** Requested on February 19, 2003.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.