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HOUSE BILL 1908

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State of Washington                      59th Legislature                      2005 Regular Session

By Representatives DeBolt, Alexander, Williams, Dunn, Woods, Condotta and Anderson

Read first time 02/09/2005. Referred to Committee on State Government Operations & Accountability.

1            AN ACT Relating to small business economic impact statements; and  
2 amending RCW 19.85.040.

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

4            **Sec. 1.** RCW 19.85.040 and 1995 c 403 s 403 are each amended to  
5 read as follows:

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

1 largest businesses required to comply with the proposed rules using one  
2 or more of the following as a basis for comparing costs:

- 3 (a) Cost per employee;
- 4 (b) Cost per hour of labor; or
- 5 (c) Cost per one hundred dollars of sales.

6 (2) A small business economic impact statement must also include:

7 (a) A statement of the steps taken by the agency to reduce the  
8 costs of the rule on small businesses as required by RCW  
9 19.85.030(~~(+3)~~) (2), or reasonable justification for not doing so,  
10 addressing the options listed in RCW 19.85.030(~~(+3)~~) (2);

11 (b) A description of how the agency will involve small businesses  
12 in the development of the rule; (~~and~~)

13 (c) A list of industries that will be required to comply with the  
14 rule. However, this subsection (2)(c) shall not be construed to  
15 preclude application of the rule to any business or industry to which  
16 it would otherwise apply; and

17 (d) The number of jobs that will be created or lost as the result  
18 of compliance with the proposed rule.

19 (3) To obtain information for purposes of this section, an agency  
20 may survey a representative sample of affected businesses or trade  
21 associations and should, whenever possible, appoint a committee under  
22 RCW 34.05.310(2) to assist in the accurate assessment of the costs of  
23 a proposed rule, and the means to reduce the costs imposed on small  
24 business.

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