

---

SENATE BILL 5500

---

State of Washington

62nd Legislature

2011 Regular Session

By Senators Baumgartner, Chase, Kastama, Zarelli, Schoesler, Shin, Holmquist Newbry, Delvin, Parlette, Kilmer, and Roach

Read first time 01/27/11. Referred to Committee on Economic Development, Trade & Innovation.

1 AN ACT Relating to the rule-making process for state economic  
2 policy; and amending RCW 43.21H.020, 19.85.030, and 19.85.070.

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

4 **Sec. 1.** RCW 43.21H.020 and 1975-'76 2nd ex.s. c 117 s 2 are each  
5 amended to read as follows:

6 The legislature finds that agency and local government decisions  
7 can have negative economic consequences for businesses, particularly  
8 small businesses, as well as for employees of those businesses. All  
9 state agencies and local government entities with rule-making authority  
10 under state law or local ordinance (~~shall~~) must adopt methods and  
11 procedures which will insure that economic impacts and values will be  
12 given appropriate consideration in the rule-making process along with  
13 environmental, social, health, and safety considerations.

14 **Sec. 2.** RCW 19.85.030 and 2007 c 239 s 3 are each amended to read  
15 as follows:

16 (1)(a) In the adoption of a rule under chapter 34.05 RCW, an agency  
17 shall prepare a small business economic impact statement: (~~(a)~~) (i)  
18 If the proposed rule will impose more than minor costs on businesses in

1 an industry; or ~~((b))~~ (ii) if requested to do so by a majority vote  
2 of the joint administrative rules review committee within forty-five  
3 days of receiving the notice of proposed rule making under RCW  
4 34.05.320. However, if the agency has completed the pilot rule process  
5 as defined by RCW 34.05.313 before filing the notice of a proposed  
6 rule, the agency is not required to prepare a small business economic  
7 impact statement.

8 (b) An agency ~~((shall))~~ must prepare the small business economic  
9 impact statement in accordance with RCW 19.85.040, and file it with the  
10 code reviser along with the notice required under RCW 34.05.320. An  
11 agency shall file a statement prepared at the request of the joint  
12 administrative rules review committee with the code reviser upon its  
13 completion before the adoption of the rule. An agency ~~((shall))~~ must  
14 provide a copy of the small business economic impact statement to any  
15 person requesting it.

16 (2) Based upon the extent of disproportionate impact on small  
17 business identified in the statement prepared under RCW 19.85.040, the  
18 agency shall, where legal and feasible in meeting the stated objectives  
19 of the statutes upon which the rule is based, reduce the costs imposed  
20 by the rule on small businesses. ~~((Methods to reduce the costs on  
21 small businesses may include))~~ The agency must consider, without  
22 limitation, each of the following methods of reducing the impact of the  
23 proposed rule on small businesses:

- 24 (a) Reducing, modifying, or eliminating substantive regulatory  
25 requirements;
- 26 (b) Simplifying, reducing, or eliminating recordkeeping and  
27 reporting requirements;
- 28 (c) Reducing the frequency of inspections;
- 29 (d) Delaying compliance timetables;
- 30 (e) Reducing or modifying fine schedules for noncompliance; or
- 31 (f) Any other mitigation techniques including those suggested by  
32 small businesses or small business advocates.

33 (3) If the agency determines it cannot reduce the costs imposed by  
34 the rule on small businesses, the agency ~~((shall))~~ must provide a clear  
35 explanation of why it has made that determination and include that  
36 statement with its filing of the proposed rule pursuant to RCW  
37 34.05.320.

1 (4)(a) All small business economic impact statements are subject to  
2 selective review by the joint administrative rules review committee  
3 pursuant to RCW 34.05.630.

4 (b) Any person affected by a proposed rule where there is ~~((fa))~~  
5 a small business economic impact statement may petition the joint  
6 administrative rules review committee for review pursuant to the  
7 procedure in RCW 34.05.655.

8 **Sec. 3.** RCW 19.85.070 and 1992 c 197 s 1 are each amended to read  
9 as follows:

10 When any rule is proposed for which a small business economic  
11 impact statement is required, the adopting agency ~~((shall))~~ must  
12 provide notice to small businesses of the proposed rule through ~~((any~~  
13 ~~of the following))~~:

14 (1) Direct notification of known interested small businesses or  
15 trade organizations affected by the proposed rule; ~~((or))~~

16 (2) Providing information of the proposed rule making to  
17 publications likely to be obtained by small businesses of the types  
18 affected by the proposed rule; and

19 (3) Posting on the agency web site.

--- END ---