

FINAL BILL REPORT

HB 1818

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Synopsis as Enacted

Brief Description: Promoting economic development through business and government streamlining projects.

Sponsors: Representatives Smith, Maxwell, Magendanz, Morris, Hargrove, Sells, Angel, Ryu, Hayes, Zeiger, Vick, O'Ban, Morrell, Bergquist, Stonier and Fey.

House Committee on Technology & Economic Development
House Committee on Appropriations Subcommittee on General Government
Senate Committee on Trade & Economic Development
Senate Committee on Ways & Means

Background:

Executive Order 12-01, *Regulatory Reform and Assistance to Help Small Businesses Succeed and Grow* issued on January 5, 2012, directed the Office of Regulatory Assistance (ORA) and the Department of Commerce (Department), in collaboration with other agencies, to develop a pilot program that streamlines and reduces the number of duplicative and conflicting requirements, decisions, and inspections that affect small business operations. The pilot program was required to begin with a project focused on a segment of the food and beverage industry, and to involve local government and related industry associations. The agencies were directed to develop shared, delegated, or joint regulatory and inspection approaches among agencies whenever possible. They were further directed to design the program to conduct an inventory and reconcile related or similar regulatory requirements across relevant agencies and to compile a report with a guide or template for expansion to other business types or industry sectors.

The Washington Economic Development Commission (Commission) was created to provide planning, coordination, evaluation, monitoring, and policy analysis and development for the state economic development system as a whole. The Commission's biennial comprehensive economic development strategy, *Driving Washington's Prosperity: A Strategy for Job Creation and Competitiveness*, produced in January 2013, included the need for "Running Lean: Regulating Smarter" as one of five key priority areas. The strategy's first regulatory-related recommendation was to initiate a systematic review of state regulations on a sector-by-sector basis for their cost-effectiveness and determine overlaps, excessive costs, obsolescence, redundancy, and solutions.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary:

The Legislature finds that a number of state agencies have identified the need for an improved regulatory environment for small businesses to grow and improve jobs. The Legislature additionally finds that cross-agency and cross-jurisdictional regulatory improvements are needed in to meaningfully improve the overall business customer experience and to increase the business community compliance with requirements.

The Legislature intends to authorize a business regulatory efficiency program administered by the Department with the goal of providing an improved regulatory environment in Washington.

The Department, in collaboration with the ORA and the Office of Accountability and Performance, are authorized to conduct one or more annual multi-jurisdictional regulatory streamlining projects impacting a specific industry sector within a specific geographical location between 2013 and 2019.

The Department must establish and implement a competitive application process to select the projects. The initial pilot project must focus on the manufacturing sector. The Department, in consultation with the Commission, must determine the sectors for subsequent projects. All state agencies with regulatory requirements that impact the chosen sector must participate.

Project selection criteria must include evidence of strong business and local government commitment, identification of a lead partner capable of managing the project, and the provision of a 50 percent match by project partners. The Department must pursue non-state sources of funding for the remainder of the funding needed. A maximum of \$50,000 of state funds may be used for a project.

Project partners must present their recommendations to the Department for comment and endorsement, and to the Commission for comment, endorsement, and evaluation.

The Department must document and distribute the streamlined laws, rules, processes, and other potentially replicable information derived from the projects to cities and counties. The Department must also submit annual reports to the Legislature containing project outcomes and streamlining recommendations identified in the projects that require statutory changes for implementation.

Votes on Final Passage:

House	97	0
Senate	46	0

Effective: July 28, 2013