
Government Operations & Elections Committee

SSB 5679

Brief Description: Improving the business climate and stimulating job creation by requiring certain agencies to establish a formal review process of existing rules.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Brown, Chase, King, Litzow, Dammeier, Schoesler, Rivers, Smith, Braun, Hewitt, Sheldon and Tom).

<p>Brief Summary of Substitute Bill</p> <ul style="list-style-type: none">• Requires the departments of Ecology, Labor and Industries, and Health to establish a formal review process of existing rules.
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Hearing Date: 3/28/13

Staff: Marsha Reilly (786-7135).

Background:

Executive Order 06-02.

Governor Gregoire signed Executive Order (EO) 06-02 in February 2006 for the purpose of improving and simplifying the licensing, permitting, tax collection and other state business systems, and developing a one-stop business portal for Washington citizens and businesses.

Agencies that collect taxes or provide permits, licenses, approvals, and other regulatory services are required to:

- establish measurable service delivery standards to address turnaround or response times, professionalism and helpfulness, consistency, efficiency and effectiveness, and overall quality of services outcomes;
- regularly measure progress;
- report quarterly to the Governor;

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- consider benchmarks from similar agencies or programs;
- set targets for improvement; and
- use "plain talk" standards for written materials.

Audit on Business Regulation Practices in Washington.

In 2012 the State Auditor completed an audit of state regulatory practices. The audit addressed two questions:

- Do Washington state government websites effectively provide regulatory information to businesses?
- Do Washington regulatory agencies have processes in place to streamline their business rules consistent with Governor Gregoire's executive order?

Regarding website access to business information, the audit found that:

- the vision of a one-stop business portal has not yet been achieved;
- regulatory information on regulatory agency websites is incomplete, and not all sites are easy to use; and
- only 23 percent of permits and licenses provide online information about processing times.

Regarding rule streamlining, the audit found that:

- agencies are streamlining some of their rules and some agencies' streamlining practices are in alignment with the Governor's EO;
- three agencies, Ecology, Health, and Labor and Industries, could improve their streamlining practices for formalizing their review processes; and
- none of the agencies measured the results of streamlining activity to determine whether rule revisions had the intended effect.

The audit recommended that all state regulatory agencies adopt streamlining processes that include:

- documentation of the review requirement and the process;
- reviewing at regular intervals to ensure all business rules are evaluated to determine if streamlining is needed;
- specific criteria to evaluate the need, consistency, and clarity of existing rules; and
- measurement and tracing of results, before and after rules are streamlined.

Summary of Bill:

The departments of Ecology, Labor and Industries, and Health must establish and perform a formal review process of its existing rules every five years with a goal to decrease the numbers of, simplify the process, and decrease the time required for obtaining licenses, permits, and inspections in order to reduce the regulatory burden on businesses. The review must be conducted using available funds. The departments must establish benchmarks and a process for effectively applying sunset provisions to rules when applicable. The departments must report back to the applicable committees of the Legislature with its review process and benchmarks by January 2014.

Substitute House Bill Compared to Substitute Senate Bill:

The Substitute House bill requires the formal review process be a continuous process, rather than a yearly review, based on a prioritized work plan. The review must include rules relating to licenses, permits, and inspections and must identify those that can be simplified, amended, or repealed. The departments must present an update, rather than a report, to the applicable committees of the Legislature regarding its review process, performance measures, and accomplishments of its streamlining efforts by January 2014 and every other year thereafter.

Appropriation: None.

Fiscal Note: Available.

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