

SENATE BILL REPORT

ESHB 1403

As Reported by Senate Committee On:
Trade & Economic Development, March 26, 2013

Title: An act relating to promoting economic development by providing information to businesses.

Brief Description: Promoting economic development by providing information to businesses.

Sponsors: House Committee on Technology & Economic Development (originally sponsored by Representatives Smith, Morris, Short, Ryu, Magendanz, Blake, Walsh, Hansen, Dahlquist and Maxwell).

Brief History: Passed House: 3/08/13, 97-0.

Committee Activity: Trade & Economic Development: 3/19/13, 3/26/13 [DP].

SENATE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: Do pass.

Signed by Senators Braun, Chair; Smith, Vice Chair; Chase, Ranking Member; Baumgartner, Holmquist Newbry, Schlicher and Shin.

Staff: Jack Brummel (786-7428)

Background: The Business Licensing Service (BLS) is the state's primary business licensing portal. It was created in the 1970s as the Master License Service at the Department of Licensing. In 2011, it was transferred to the Department of Revenue (Department). BLS has a statutory goal to provide a convenient, accessible, and timely one-stop system for the business community to acquire and maintain the necessary licenses to conduct business. BLS registers businesses, renews licenses, and provides related services for approximately 40,000 businesses monthly, and has more than 115 state licenses available through its website.

The State Auditor's Office (SAO) conducts state government audits, local government audits, and performance audits. On September 6, 2012, SAO released the performance audit titled Regulatory Reform: Communicating Regulatory Information and Streamlining Business Rules. Within the audit, SAO reported that 23 of 26 state regulatory agencies issue business licenses, and that state law requires full participation by 13 state agencies. The performance audit found that:

- only the Department provides all of its licenses through the BLS website;

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.

- only 16 percent of all the state's business licenses are available through the BLS website; and
- only two of the ten most-requested licenses are available through the BLS website.

The audit recommended that: the Legislature revise the statute to accurately reflect the specific agencies that issue business licenses; and the Legislature clarify that full participation by agencies requires them to provide information and applications for all of their business licenses on the BLS website.

Summary of Bill: Two agencies are removed, and 13 agencies are added to the existing list of agencies that must fully participate in BLS.

Fully participating agencies must provide the Department with: a designated agency contact; a list of every business license issued by the agency; a description of the persons and activities for which each license is required; the time period for each license; and the issuance or renewal requirements for each license. Under certain circumstances agencies may comply by providing a web link and summary information.

Each agency must annually provide information on its level of participation to the Department. The Department must compile the information and submit an aggregate report to the Legislature and Governor.

A license will be issued through the master license system only if the agency issuing the license and the Department so agree.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill comes from SAO's report. We need to improve our regulatory environment. This is intended to make it happen. This would require participation in BLS. It is essential that we put information out there that is accessible to small businesses.

Persons Testifying: PRO: Representative Smith, prime sponsor; Patrick Connor, National Federation of Independent Business.