

SENATE BILL REPORT

SB 5679

As Reported by Senate Committee On:
Trade & Economic Development, February 19, 2013
Ways & Means, February 28, 2013

Title: An act relating to improving the business climate and stimulating job creation by requiring certain agencies to establish a formal review process of existing rules.

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

Sponsors: Senators Brown, Chase, King, Litzow, Dammeier, Schoesler, Rivers, Smith, Braun, Hewitt, Sheldon and Tom.

Brief History:

Committee Activity: Trade & Economic Development: 2/19/13 [DP-WM].
Ways & Means: 2/25/13, 2/28/13 [DPS].

SENATE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: Do pass and be referred to Committee on Ways & Means.

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

Staff: Edward Redmond (786-7471)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5679 be substituted therefor, and the substitute bill do pass.

Signed by Senators Baumgartner, Vice Chair; Honeyford, Capital Budget Chair; Hargrove, Ranking Member; Nelson, Assistant Ranking Member; Bailey, Becker, Braun, Conway, Dammeier, Hasegawa, Hatfield, Hewitt, Keiser, Kohl-Welles, Murray, Padden, Parlette, Ranker, Rivers, Schoesler and Tom.

Staff: Michael Bezanson (786-7449)

Background: The State Auditor's Office (SAO) conducts state government audits, local government audits, and performance audits. On September 6, 2012, the SAO released the

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.

performance audit Regulatory Reform: Communicating Regulatory Information and Streamlining Business Rules. Within the audit, the SAO noted that for at least 20 years, federal and state regulatory reforms have included efforts to streamline rules to reduce the regulatory burden on businesses, cut costs, and increase compliance. The SAO sought to determine whether agencies had rule review processes consistent with past executive orders. The SAO found that three of the agencies that do review their rules for streamlining do not do so consistent with executive orders. These agencies were the departments of Ecology, Health, and Labor and Industries.

Summary of Bill (Recommended Substitute): The departments of Ecology, Health, and Labor and Industries must each perform a formal review process of existing rules every five years. The review must occur within existing funds. The objective of the review is to improve the processes for licensing, permitting, and inspection in a manner that reduces the regulatory burden on businesses without compromising public health and safety. Benchmarks must be used for the assessment of streamlining efforts. A process to sunset rules must be established. Reports to the Legislature are due by January 2014.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Substitute): Changes the rules review process from an annual review to a five-year review for all three agencies. Specifies that the five-year review must be performed within existing funds.

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 (Trade & Economic Development): PRO: This seeks to remove rules that are not being used. This would require review of rules. Given the complexity of administrative rules, it is critically important that agencies take the time to ensure the rules are still helpful and useful. Annual review and constant oversight is extremely important.

Persons Testifying (Trade & Economic Development): PRO: Senator Brown, prime sponsor; Patrick Conner, National Federation of Independent Businesses; Bob Mitchell, WA Realtors.

Staff Summary of Public Testimony on Original Bill (Ways & Means): PRO: This bill seeks a formal review process of agency rules as recommended by the state Auditor. This bill will reduce burdens and allow businesses to respond to changing market conditions faster. The state needs to look at agencies that have used management efficiencies to make government better.

Persons Testifying (Ways & Means): PRO: Senator Brown, prime sponsor; Ron Newbry, Impact Washington.