
**State Government & Tribal Relations
Committee**

HB 2577

Brief Description: Concerning agency responsibilities to regulated businesses and professions.

Sponsors: Representatives Barkis, Chapman, Schmick, Walen, Chambers, Corry, Tarleton, Leavitt, Vick, Dye, Cody, Macri, Stokesbary, Frame, Tharinger, Hoff, Pellicciotti, Gildon, Senn, Walsh, Dent, Dolan, Jenkin, Volz, Blake, Lekanoff, Van Werven and Ybarra.

Brief Summary of Bill

- Requires regulatory agencies to provide certain information to businesses and professions when conducting audits, inspections, and examinations.

Hearing Date: 1/31/20

Staff: Carrington Skinner (786-7192).

Background:

Many state agencies, boards, and commissions that regulate businesses and professions conduct audits, inspections, and examinations of the businesses and professions they regulate. The Department of Revenue has primary responsibility for issuing business licenses through the Washington Business Licensing Service. Businesses may also need additional licenses or permits issued by other state agencies. The Department of Licensing issues licenses and ensures compliance with professional standards and laws. Other professions may also be regulated by specific boards or commissions. Various state agencies, including the departments of Labor and Industries, Agriculture, and Health, conduct audits and inspections to verify compliance with applicable laws.

Summary of Bill:

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.

By December 31, 2020, regulatory agencies that conduct audits, inspections, or examinations of businesses and professions must provide specified information at each audit, inspection, or examination. Agencies subject to this requirement include state agencies, boards, commissions, and divisions. The requirement does not apply to local government entities. Among other information, the information provided must include:

- the purpose and legal authority for conducting the audit, inspection, or examination;
- the responsibility of the auditor, inspector, or examiner to provide identification and contact information for a staff person to answer questions;
- whether the business may correct a violation to avoid or mitigate an administrative sanction, if any; and
- whether the business may designate official company representatives, and have certain professionals participate in the audit, inspection, or examination.

The required information does not need to be provided in the following situations:

- in certain emergencies involving imminent danger;
- in criminal investigations or proceedings, or an agency's undercover, surveillance, or seizure activities; or
- if the requirements would conflict with federal or state law or interfere with an agency performing its statutorily authorized duties.

A regulatory agency must post a general description of the responsibilities on its website. The Joint Legislative Audit and Review Committee (JLARC) must conduct a review of agencies' performance and compliance by December 31, 2023, which must include a survey of regulated businesses and a comparison of the views of small and large businesses.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

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