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HOUSE BILL 2257

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State of Washington

66th Legislature

2020 Regular Session

By Representatives Gildon, Eslick, Van Werven, Barkis, and Dent

Prefiled 12/19/19. Read first time 01/13/20. Referred to Committee on State Government & Tribal Relations.

1 AN ACT Relating to the establishment of a regulatory reduction  
2 pilot program; adding a new chapter to Title 34 RCW; and providing an  
3 expiration date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The definitions in this section apply  
6 throughout this chapter unless the context clearly requires  
7 otherwise.

8 (1) "Director" means the director of the office of financial  
9 management.

10 (2) "Discretionary rule" means a rule that an agency has adopted  
11 based on its discretion, and not a rule that an agency was required  
12 to adopt by state or federal law or rule.

13 (3) "Office" means the office of financial management.

14 (4) "Pilot agencies" means the department of ecology and the  
15 department of labor and industries.

16 (5) "Rule" has the meaning defined in RCW 34.05.010.

17 NEW SECTION. **Sec. 2.** The office, under the direction of the  
18 director, shall administer a three-year regulatory reduction pilot  
19 program beginning July 1, 2020, and ending July 1, 2023. The program  
20 must consist of the following elements:

1 (1) The program must focus on rules adopted by the pilot  
2 agencies. The stated goal of the program must be to reduce the number  
3 of discretionary rules by twenty-five percent at each pilot agency by  
4 July 1, 2023.

5 (2) The directors or directors' designees of the pilot agencies  
6 shall develop a baseline regulatory catalog by October 1, 2020, that  
7 identifies:

8 (a) The total number and type of rules currently adopted and  
9 administered by each pilot agency, including both discretionary rules  
10 and rules for which no agency discretion is involved; and

11 (b) For each rule, any specific federal or state mandates or  
12 statutory authority that authorizes or requires the rules.

13 (3) The pilot agencies shall report the catalog data to the  
14 office, in a manner specified by the office. The office shall publish  
15 the data on the office's web site.

16 NEW SECTION. **Sec. 3.** (1) Each pilot agency shall initiate  
17 reforms, through rule making or nonregulatory action, to reduce the  
18 number of discretionary rules in its baseline regulatory catalog:

19 (a) By seven and one-half percent, by July 1, 2021;

20 (b) By fifteen percent, by July 1, 2022; and

21 (c) By twenty-five percent, by July 1, 2023.

22 (2) During the pilot program, the pilot agencies shall, whenever  
23 possible, modify their rules to reduce other regulatory burdens.

24 (3) The pilot agencies shall report to the office, by July 1st of  
25 each year the program is in effect, all rules eliminated or modified.

26 (4) Each pilot agency in its report shall also recommend changes  
27 to state law that would permit the reduction of other regulatory  
28 burdens, and any recommendations for amending or deleting other  
29 nondiscretionary rules that it has adopted.

30 (5) If a pilot agency is unable to reach a goal stated in  
31 subsection (1) of this section, it shall provide a separate report to  
32 the director stating its reasons for not meeting the goal.

33 NEW SECTION. **Sec. 4.** (1) The director shall report to the  
34 speaker of the house of representatives and the president of the  
35 senate no later than October 1, 2021, and October 1, 2022, on the  
36 progress of the regulatory reduction pilot program established by  
37 this act.

1 (2) If, by July 1, 2022, the regulatory reduction pilot program  
2 has achieved less than a fifteen percent total reduction in  
3 discretionary rules across both pilot agencies, the director shall  
4 include the reasons for not meeting the target reduction in the next  
5 available annual report to the speaker of the house of  
6 representatives and the president of the senate.

7 (3) The director shall report the following information to the  
8 speaker of the house of representatives and the president of the  
9 senate by August 15, 2023:

10 (a) The progress towards completing the twenty-five percent  
11 reduction goal;

12 (b) Recommendations for expanding the program to other agencies;  
13 and

14 (c) Any additional information the director determines may be  
15 helpful to support the legislature's regulatory reduction and reform  
16 efforts.

17 (4) If, by October 1, 2023, the program has achieved less than a  
18 twenty-five percent total reduction in discretionary rules across  
19 both pilot agencies, then the director shall report on the  
20 feasibility and effectiveness of implementing a "two-for-one  
21 regulatory budget" providing that for every one new rule, two  
22 existing rules of equivalent or greater burden must be streamlined,  
23 repealed, or replaced, for a period not to exceed three years. The  
24 speaker of the house of representatives or the president of the  
25 senate may also direct the house appropriations committee or the  
26 senate finance committee, respectively, to initiate a budgetary audit  
27 of each pilot agency to assess what obstacles exist to meeting the  
28 twenty-five percent reduction goal. Further, if both the speaker of  
29 the house of representatives and the president of the senate agree,  
30 they may direct the joint legislative audit and review committee to  
31 review the regulatory reduction efforts of both agencies as part of  
32 the pilot program and report to the legislature any findings and  
33 recommendations regarding:

34 (a) Whether the reduction goals are reasonable and achievable;  
35 and

36 (b) Policies, practices, and methods that may be adopted by  
37 agencies to successfully achieve the reduction goals.

38 NEW SECTION. **Sec. 5.** This chapter expires December 1, 2023.

1        NEW SECTION.        **Sec. 6.**        Sections 1 through 5 of this act  
2        constitute a new chapter in Title 34 RCW.

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