15

16

17

18

19

20

21

## SENATE BILL 5320

State of Washington 67th Legislature 2021 Regular Session

By Senators Wilson, L., Muzzall, Braun, Brown, Dozier, King, Rivers, Short, and Warnick

Read first time 01/21/21. Referred to Committee on State Government & Elections.

- AN ACT Relating to the responsibilities of the three branches of government for administrative rules and procedure; amending RCW 34.05.570; adding new sections to chapter 44.04 RCW; adding new sections to chapter 34.05 RCW; and creating new sections.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 NEW SECTION. Sec. 1. FINDINGS AND INTENT. (1) The legislature 7 finds that Washington's state government has made it too difficult for the people of Washington to discern which branch of government is 8 responsible for making the policies that govern them. This problem 9 10 originates in the legislature, which too often tasks executive branch implementing legislation that contains 11 with 12 direction, ill-defined standards, and broad grants of discretion. The legislature 13 finds that this regrettable practice undermines 14 accountability for decisions that are made in state government.
  - (2) (a) The legislature intends to make specific reforms that will help restore accountability to the policy-making process in Washington. The legislature recognizes that each branch of government plays an important role in governing the state, and that each branch is responsible for faithfully fulfilling its own duties, while respecting the duties of the other branches. This act emphasizes the distinct functions of each branch, seeking to achieve an appropriate

p. 1 SB 5320

balance of power among the legislative, executive, and judicial
branches, for the benefit of the people of Washington.

- (b) The legislature further intends for:
- (i) Part I of this act to remind the legislature that it is not permitted to transfer the legislative authority to other bodies, and require the legislature to notify the public when bills authorize the adoption of new rules by executive branch agencies;
- (ii) Part II of this act to require executive branch agencies to thoroughly document the applicable statutory sources of authority for their proposed actions during the rule-making process; and
- (iii) Part III of this act to promote an independent judiciary by preventing courts from deferring to agencies' interpretation of statutes, and allowing courts to determine if the reasons given for an agency action genuinely align with information in the record for judicial review.

16 PART I

3

4

5

7

8

9

10

28

29

30

31

32

37

## 17 THE LEGISLATURE

- NEW SECTION. Sec. 2. A new section is added to chapter 44.04 19 RCW to read as follows:
- LEGISLATIVE AUTHORITY. The legislature affirms that the people of Washington vested the legislative authority of the state of Washington in the legislature under Article II, section 1 of the state Constitution. Because the legislative authority is vested in the legislature by the people, the legislature may not transfer the legislative authority to another branch or agency of government.
- NEW SECTION. Sec. 3. A new section is added to chapter 44.04 27 RCW to read as follows:
  - LEGISLATIVE TRANSPARENCY. (1) Every bill analysis and bill report published by the house of representatives office of program research or senate committee services, or their successor entities, must contain a section indicating whether the bill authorizes an agency to adopt a new rule under chapter 34.05 RCW.
- 33 (2) Failure to comply with subsection (1) of this section does 34 not invalidate any law or rule.
- 35 (3) This section does not create any civil liability on the part 36 of the state or any state agency, officer, employee, or agent.
  - (4) This section does not create a private right of action.

p. 2 SB 5320

1	PART	II

## THE EXECUTIVE BRANCH

NEW SECTION. 3 Sec. 4. A new section is added to chapter 34.05 RCW to read as follows: 4

EXECUTIVE TRANSPARENCY. For the purpose of rule making, when citing a statute that authorizes an agency to adopt the rule, the agency shall identify the title, chapter, and section of the Revised Code of Washington for each pertinent statute. If the agency cites a session law, the agency shall identify each pertinent section of the

10 session law.

2

5

6

7

8

9

11 PART III

12 THE JUDICIARY

- 13 Sec. 5. A new section is added to chapter 34.05 NEW SECTION. RCW to read as follows: 14
- 15 JUDICIAL INDEPENDENCE. A court may not defer to an agency's interpretation of a statute when reviewing agency action under this 16
- 17 chapter. The court shall serve as a neutral and impartial decision
- 18 maker responsible for interpreting the statutes that apply in each
- 19 case.

26 27

28 29

30

- 20 **Sec. 6.** RCW 34.05.570 and 2004 c 30 s 1 are each amended to read 21 as follows:
- 22 (1) Generally. Except to the extent that this chapter or another 23 statute provides otherwise:
- 24 (a) The burden of demonstrating the invalidity of agency action 25 is on the party asserting invalidity;
  - The validity of agency action shall be determined accordance with the standards of review provided in this section, as applied to the agency action at the time it was taken;
  - (c) The court shall make a separate and distinct ruling on each material issue on which the court's decision is based; and
- 31 (d) The court shall grant relief only if it determines that a 32 person seeking judicial relief has been substantially prejudiced by the action complained of. 33
- 34 (2) Review of rules. (a) A rule may be reviewed by petition for 35 declaratory judgment filed pursuant to this subsection or in the context of any other review proceeding under this section. In an 36

p. 3 SB 5320 action challenging the validity of a rule, the agency shall be made a party to the proceeding.

(b)  $((\frac{1}{2}))$  The validity of any rule may be determined upon petition for a declaratory judgment addressed to the superior court of Thurston county, when it appears that the rule, or its threatened application, interferes with or impairs or immediately threatens to interfere with or impair the legal rights or privileges of the petitioner. The declaratory judgment order may be entered whether or not the petitioner has first requested the agency to pass upon the validity of the rule in question.

## (((ii) From June 10, 2004, until July 1, 2008:

- (A) If the petitioner's residence or principal place of business is within the geographical boundaries of the third division of the court of appeals as defined by RCW 2.06.020(3), the petition may be filed in the superior court of Spokane, Yakima, or Thurston county; and
- (B) If the petitioner's residence or principal place of business is within the geographical boundaries of district three of the first division of the court of appeals as defined by RCW 2.06.020(1), the petition may be filed in the superior court of Whatcom or Thurston county.))
- (c) In a proceeding involving review of a rule, the court shall declare the rule invalid only if it finds that: The rule violates constitutional provisions; the rule exceeds the statutory authority of the agency; the rule was adopted without compliance with statutory rule-making procedures; the record for judicial review reveals that the stated rationale for the rule is a pretext; or the rule is arbitrary and capricious.
- (3) Review of agency orders in adjudicative proceedings. The court shall grant relief from an agency order in an adjudicative proceeding only if it determines that:
- (a) The order, or the statute or rule on which the order is based, is in violation of constitutional provisions on its face or as applied;
- (b) The order is outside the statutory authority or jurisdiction of the agency conferred by any provision of law;
- 37 (c) The agency has engaged in unlawful procedure or decision-38 making process, or has failed to follow a prescribed procedure;
  - (d) The agency has erroneously interpreted or applied the law;

p. 4 SB 5320

- (e) The order is not supported by evidence that is substantial when viewed in light of the whole record before the court, which includes the agency record for judicial review, supplemented by any additional evidence received by the court under this chapter;
- (f) The agency has not decided all issues requiring resolution by the agency;
  - (g) A motion for disqualification under RCW 34.05.425 or 34.12.050 was made and was improperly denied or, if no motion was made, facts are shown to support the grant of such a motion that were not known and were not reasonably discoverable by the challenging party at the appropriate time for making such a motion;
- (h) The order is inconsistent with a rule of the agency unless the agency explains the inconsistency by stating facts and reasons to demonstrate a rational basis for inconsistency; ((or))
  - (i) The order is arbitrary or capricious; or
- 16 <u>(j) The record for judicial review reveals that the stated</u> 17 rationale for the order is a pretext.
  - (4) Review of other agency action.

1

2

3

4

5

7

8

9

10 11

12

1314

15

18

21

22

23

2425

26

27

2829

34

37

- 19 (a) All agency action not reviewable under subsection (2) or (3) 20 of this section shall be reviewed under this subsection.
  - (b) A person whose rights are violated by an agency's failure to perform a duty that is required by law to be performed may file a petition for review pursuant to RCW 34.05.514, seeking an order pursuant to this subsection requiring performance. Within twenty days after service of the petition for review, the agency shall file and serve an answer to the petition, made in the same manner as an answer to a complaint in a civil action. The court may hear evidence, pursuant to RCW 34.05.562, on material issues of fact raised by the petition and answer.
- 30 (c) Relief for persons aggrieved by the performance of an agency 31 action, including the exercise of discretion, or an action under (b) 32 of this subsection can be granted only if the court determines that 33 the action is:
  - (i) Unconstitutional;
- 35 (ii) Outside the statutory authority of the agency or the 36 authority conferred by a provision of law;
  - (iii) Arbitrary or capricious; ((<del>or</del>))
- 38 (iv) Taken by persons who were not properly constituted as agency officials lawfully entitled to take such action; or

p. 5 SB 5320

3	PART IV
4	MISCELLANEOUS
5	NEW SECTION. Sec. 7. SHORT TITLE. This act may be known and
6	cited as the three branches act.
7	NEW SECTION. Sec. 8. SEVERABILITY. If any provision of this act
8	or its application to any person or circumstance is held invalid, the
9	remainder of the act or the application of the provision to other
10	persons or circumstances is not affected.
	END

revealed in the record for judicial review.

(v) Shown to be based on a stated rationale that is a pretext, as

1

2

p. 6 SB 5320