

# SENATE BILL REPORT

## SB 6408

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As of January 24, 2020

**Title:** An act relating to agency responsibilities to regulated businesses and professions.

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

**Sponsors:** Senators Wilson, L., Mullet, Short, Becker, Takko, King, Zeiger, Brown, Schoesler, Frockt, Hasegawa, Rolfes, Honeyford, Walsh, Van De Wege and Braun.

**Brief History:**

**Committee Activity:** Financial Institutions, Economic Development & Trade: 1/28/20.

<p><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Requires state regulatory agencies to provide certain information at each audit, inspection, or examination.</li></ul>
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**SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, ECONOMIC DEVELOPMENT & TRADE**

**Staff:** Clint McCarthy (786-7319)

**Background:** In 2017, the Legislature directed the attorney general (AG) to review the Administrative Procedures Act, related administrative rules, statutes, and case law to identify rights and protections afforded to small business owners selected for agency enforcement actions, such as audits, inspections, site visits, and record reviews. For the same reason, the departments of Agriculture, Ecology, Employment Security, Labor and Industries, and Revenue, and the state fire marshall must review respective governing statutes, administrative rules, policy statements, guidance, and directives identified as sources for rights and protections. Each agency must provide the AG with specified materials and copies of statements of rights provided to small businesses for the AG's review no later than August 31, 2017.

The AG was directed to compile findings in a report to relevant legislative committees by November 30, 2017. In the report, the AG recommended steps be taken to:

- improve efforts to provide transparent, accessible information and assistance to operating businesses early in the process;

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- improve efforts to share effective practices among agencies;
- expand the role of business associations and other groups to coordinate sharing information between small business owners and agencies;
- be deliberate about how small business is defined; and
- consider targeted expansion using special advocates or ombuds to help disseminate information and resolve noncompliance issues or disputes.

**Summary of Bill:** Requirements of Agency Personnel. By December 31, 2020, state government agency personnel must provide the following information at each audit, inspection, or examination:

- the purpose and legal authority for conducting the regulatory action;
- whether advance notice for a regulatory action will be provided, and the basis for not providing notice;
- the identification of the regulator, along with contact information;
- whether the business may cure or correct a potential or actual violation during or after an investigation to avoid or mitigate an administrative sanction;
- information on how the business may provide past agency advice or interpretations it relied upon for consideration in a regulatory decision;
- whether the business may designate one or more company representatives to have certain company representatives participate in a regulatory investigation; and
- how businesses may respond to the outcome of the regulatory action.

These requirements do not apply to emergency situations, criminal investigations, or if they would create a conflict between federal or state law.

Requirement of Agencies. State regulatory agencies must post a general description of their responsibilities on their website.

Joint Legislative Audit and Review Committee. The Joint Legislative Audit and Review Committee must review agencies performance and compliance with the requirements of agency personnel by December 31, 2023.

**Appropriation:** None.

**Fiscal Note:** Requested on January 23, 2020.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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