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SENATE BILL 5765

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State of Washington

63rd Legislature

2013 Regular Session

By Senators Brown, Chase, Braun, Smith, and Cleveland

1 AN ACT Relating to promoting economic development through business  
2 and government streamlining projects; adding a new section to chapter  
3 43.330 RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that: Since 2010,  
6 the department of commerce and the office of regulatory assistance have  
7 convened and coordinated a number of cross-agency collaborative  
8 regulatory streamlining efforts focused on improving the regulatory  
9 experience for small businesses, while maintaining public health and  
10 safety; the department of commerce has established efficient and  
11 effective regulation as one of its four global priorities to support  
12 the mission to grow and improve jobs; the state auditor's office issued  
13 a regulatory performance audit in 2012 identifying many agency actions  
14 that can also improve the business community's ability to comply with  
15 regulatory requirements; and the Washington state economic development  
16 commission's 2012 comprehensive statewide strategy emphasized the need  
17 for smarter regulations in order to achieve long-term global  
18 competitiveness, prosperity, and economic opportunity for all the  
19 state's citizens.

1 (2) The legislature further finds that while individual agency  
2 streamlining activities result in improvements, businesses are required  
3 to interact with many state and local agencies, all with unique  
4 requirements, processes, forms, instructions, payment options, and  
5 electronic transaction capabilities. Cross-agency and cross-  
6 jurisdictional regulatory improvements are needed to meaningfully  
7 improve the overall business customer experience and ability to more  
8 easily understand and comply with requirements.

9 (3) Therefore, the legislature intends to authorize a business  
10 regulatory efficiency program administered by the department of  
11 commerce with the goal of providing an improved regulatory environment  
12 in Washington. By enhancing, simplifying, and better coordinating  
13 state and local regulatory processes for specific industry sectors, the  
14 amount of time it takes businesses to conduct their interactions with  
15 state government will decrease, compliance will increase, and  
16 businesses will have the opportunity to generate more revenue and  
17 create more jobs, thereby strengthening Washington's economy and  
18 overall global competitiveness.

19 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.330 RCW  
20 to read as follows:

21 (1) The department, in collaboration with the office of regulatory  
22 assistance and the office of accountability and performance, must  
23 conduct multijurisdictional regulatory streamlining projects that each  
24 impact a specific industry sector or subsector within a specific  
25 geographical location. Planning for an initial pilot project must  
26 begin by September 1, 2013, and the initial pilot project must be  
27 underway by December 31, 2013. One or more projects must be  
28 implemented in each subsequent calendar year through 2019.

29 (2) The department must establish and implement a competitive  
30 process and select a minimum of one applicant comprised of a public-  
31 private partnership for participation in each project. The initial  
32 pilot project must focus on the manufacturing sector. The department,  
33 in consultation with the economic development commission, must  
34 determine the sectors for subsequent projects. The criteria to be used  
35 to select projects must include:

36 (a) Evidence of strong business commitment to the project;

1 (b) Evidence of strong commitment by the local government  
2 jurisdictions where the project is located to allocate necessary staff  
3 to the project and to streamline laws, rules, and administrative  
4 process requirements both within their jurisdictions and  
5 collaboratively across jurisdictions;

6 (c) Willingness to apply lean principles and tools to streamline  
7 the business regulatory experience;

8 (d) Identification of a lead partner capable of providing project  
9 management and coordination of partners;

10 (e) Support of the stakeholders necessary to implement the project;

11 (f) A plan and capacity to complete the project within the time  
12 frame; and

13 (g) A minimum of fifty percent match must be provided from project  
14 partners. The match may be cash, in-kind, or a combination of cash and  
15 in-kind.

16 (3) The department is encouraged to collaborate with nonprofit  
17 industry organizations, the private sector, foundations, and other  
18 interested entities to successfully complete each project.

19 (4) The department must pursue opportunities for nonstate funding  
20 as the match to the fifty percent or more provided by project partners.  
21 A maximum of fifty thousand dollars of state funds may be used for a  
22 project.

23 (5) The department may contract with a third party for expertise  
24 and facilitation.

25 (6) All state agencies with regulatory requirements that impact the  
26 project's industry sector must participate.

27 (7) The state agencies, local jurisdictions, business partners, and  
28 other participants must jointly:

29 (a) Develop a project plan to conduct a cross-jurisdictional review  
30 process;

31 (b) Identify and review all laws, rules, and administrative  
32 processes and requirements pertaining to the selected sector;

33 (c) Apply specific criteria to evaluate the extent to which the  
34 laws, rules, and administrative processes and requirements provide for  
35 consistent, clear, and efficient customer experiences while continuing  
36 to maintain public health, safety, and environmental standards;

37 (d) Develop an implementation plan and schedule that identifies  
38 priority streamlining actions;

1 (e) Present their recommendations to the department for comment and  
2 endorsement; and

3 (f) Present their recommendations to the Washington state economic  
4 development commission for comment, endorsement, and evaluation.

5 (8) The department must document and distribute the streamlined  
6 laws, rules, processes, and other potentially replicable information,  
7 derived from the projects to the association of Washington cities and  
8 Washington state association of counties for distribution to their  
9 membership.

10 (9) The department must brief the economic development committees  
11 of the legislature by January 15, 2014, on the status of the initial  
12 pilot project, and must submit a report on the outcomes of the projects  
13 to the economic development committees of the legislature by January  
14 15th of each calendar year, from 2015 through 2020. The department  
15 must include in the reports any streamlining recommendations identified  
16 in the projects that require statutory changes for implementation and  
17 any potentially replicable models, approaches, and tools that could be  
18 applied to other sectors and geographical areas.

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