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HOUSE BILL 2104

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State of Washington

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By Representatives Rayburn, McLean, Kremen, Grant, R. Johnson, Edmondson, Miller, Fuhrman, Chandler, D. Sommers, Padden, Morton, Ballard, Neher and Lisk.

Read first time February 25, 1991. Referred to Committee on Agriculture & Rural Development.

1 AN ACT Relating to agricultural activities; amending RCW 19.85.020  
2 and 19.85.060; reenacting and amending RCW 19.85.030 and 19.85.040; and  
3 creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that the history,  
6 economy, culture, and future of Washington state largely involves  
7 agriculture, which is vital to the economic well-being of the state.  
8 Farmers and ranchers are responsible stewards of the land and managers  
9 of the state's natural resources. They engage in a variety of diverse  
10 business practices and operations. As a result, farm and ranch  
11 activities are likely to fall within the purview of a larger number of  
12 state regulatory programs than other small businesses. These programs,  
13 taken individually, may not cause economic harm to agricultural  
14 operations but, when considered cumulatively, may encourage or even  
15 force the premature removal of lands from agricultural use.

1       **Sec. 2.** RCW 19.85.020 and 1989 c 374 s 1 are each amended to read  
2 as follows:

3       Unless the context clearly indicates otherwise, the definitions in  
4 this section apply through this chapter.

5       (1) "Small business" has the meaning given in RCW 43.31.025(4).

6       (2) "Small business economic impact statement" means a statement  
7 meeting the requirements of RCW 19.85.040 prepared by a state agency  
8 pursuant to RCW 19.85.030.

9       (3) "Industry" means all of the businesses in this state in any one  
10 three-digit standard industrial classification as published by the  
11 United States department of commerce.

12       (4) "Agricultural activity" means the commercial production of food  
13 and fiber consistent with the principles of instruction of Washington  
14 State University and includes, but is not limited to, the production of  
15 agricultural, horticultural, viticultural, floricultural, dairy,  
16 poultry, apiary, vegetable, herb, or animal products or of berries,  
17 grain, hay, straw, turf, seed, Christmas trees, or livestock.

18       (5) "Agricultural economic impact statement" means a statement  
19 meeting the requirements of RCW 19.85.040 prepared by a state agency  
20 pursuant to RCW 19.85.030.

21       **Sec. 3.** RCW 19.85.030 and 1989 c 374 s 2 and 1989 c 175 s 72 are  
22 each reenacted and amended to read as follows:

23       In the adoption of any rule pursuant to RCW 34.05.320 that will  
24 have an economic impact on more than twenty percent of all industries,  
25 or more than ten percent of any one industry, or any agricultural  
26 activity the adopting agency:

27       (1) Shall reduce the economic impact of the rule on small business  
28 by doing one or more of the following when it is legal and feasible in

1 meeting the stated objective of the statutes which are the basis of the  
2 proposed rule:

3 (a) Establish differing compliance or reporting requirements or  
4 timetables for small businesses or agricultural activities;

5 (b) Clarify, consolidate, or simplify the compliance and reporting  
6 requirements under the rule for small businesses;

7 (c) Establish performance rather than design standards;

8 (d) Exempt small businesses or agricultural activities from any or  
9 all requirements of the rule;

10 (2) Shall prepare a small business economic impact statement or,  
11 for an agricultural activity, a separate agricultural economic impact  
12 statement in accordance with RCW 19.85.040 and file such statement with  
13 the code reviser along with the notice required under RCW 34.05.320;

14 (3) May request assistance from the business assistance center in  
15 the preparation of the small business economic impact statement; and

16 (4) May request assistance from the department of agriculture in  
17 the preparation of the agricultural economic impact statement.

18 **Sec. 4.** RCW 19.85.040 and 1989 c 374 s 3 and 1989 c 175 s 73 are  
19 each reenacted and amended to read as follows:

20 A small business economic impact statement or an agricultural  
21 economic impact statement must include a brief description of the  
22 reporting, recordkeeping, and other compliance requirements of the  
23 rule, and the kinds of professional services that a small business is  
24 likely to need in order to comply with such requirements and the kinds  
25 of professional services or capital improvements or operating changes  
26 that are likely for an agricultural activity in order to comply with  
27 such requirements. ((A small business)) An economic impact statement  
28 shall analyze, based on existing data, the costs of compliance for  
29 businesses or agricultural activities required to comply with the

1 provisions of a rule adopted pursuant to RCW 34.05.320, including costs  
2 of equipment, supplies, labor, and increased administrative costs((  
3 and)).

4 A small business economic impact statement shall compare to the  
5 greatest extent possible the cost of compliance for small business with  
6 the cost of compliance for the ten percent of firms which are the  
7 largest businesses required to comply with the proposed new or  
8 amendatory rules. The small business economic impact statement shall  
9 use one or more of the following as a basis for comparing costs:

- 10 (1) Cost per employee;
- 11 (2) Cost per hour of labor;
- 12 (3) Cost per one hundred dollars of sales;
- 13 (4) Any combination of subsection (1), (2), or (3) of this section.

14 **Sec. 5.** RCW 19.85.060 and 1989 c 374 s 5 are each amended to read  
15 as follows:

16 An agency is not required to prepare a small business economic  
17 impact statement or an agricultural economic impact statement if the  
18 agency files a statement that:

19 (1) The rule is being adopted solely for the purpose of conformity  
20 or compliance, or both, with federal law or regulations; or

21 (2) The rule will have a minor or negligible economic impact. The  
22 business assistance center shall develop guidelines for determining  
23 whether a proposed rule will have minor or negligible impacts on small  
24 businesses and the department of agriculture shall develop guidelines  
25 for determining whether a proposed rule will have minor or negligible  
26 impacts on agricultural activities. The business assistance center may  
27 review a proposed rule that indicates that there is only a minor or  
28 negligible economic impact on small businesses to determine if the  
29 agency's finding is within the guidelines developed by the business

1 assistance center and the department may similarly review a proposed  
2 rule that indicates there is only a minor or negligible economic impact  
3 on agricultural activities. The business assistance center (~~is~~) and  
4 the department are authorized to advise the joint administrative rules  
5 review committee on disputes involving agency determinations under this  
6 section.