

Multiple Agency Fiscal Note Summary

Bill Number: 6376 SB	Title: Contractor licensing laws
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Estimated Cash Receipts

Agency Name	2009-11		2011-13		2013-15	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost. Please see discussion."					
Washington State Patrol	Non-zero but indeterminate cost. Please see discussion."					
Department of Labor and Industries	(5,575,600)	(5,864,826)	(11,865,954)	(12,444,406)	(12,908,366)	(13,486,818)
Department of Licensing	0	5,575,600	0	11,865,954	0	12,908,366
Total \$	(5,575,600)	(289,226)	(11,865,954)	(578,452)	(12,908,366)	(578,452)

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2009-11			2011-13			2013-15		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Washington State Patrol	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Labor and Industries	(16.5)	(3,262,254)	(3,010,254)	(32.9)	(6,524,508)	(6,524,508)	(32.9)	(6,524,508)	(6,524,508)
Department of Licensing	18.2	0	3,040,745	35.7	0	6,589,848	35.7	0	6,594,918
Total	1.7	\$(3,262,254)	\$30,491	2.8	\$(6,524,508)	\$65,340	2.8	\$(6,524,508)	\$70,410

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 25967

FNS029 Multi Agency rollup

Estimated Capital Budget Impact

Agency Name	2009-11		2011-13		2013-15	
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Department of Labor and Industries						
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
Washington State Patrol						
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total \$	\$0	\$0	\$0	\$0	\$0	\$0

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projeciton showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

Prepared by: Chris Stanley, OFM	Phone: (360) 902-9810	Date Published: Final
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

Individual State Agency Fiscal Note

Bill Number: 6376 SB	Title: Contractor licensing laws	Agency: 090-Office of State Treasurer
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
Account					
Total \$					

Estimated Capital Budget Impact:

Total \$					

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/13/2010
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 01/14/2010
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 01/14/2010
OFM Review: Mike Steenhout	Phone: 360-902-0554	Date: 01/14/2010

Request # 016-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

SB 6376 creates the contractor licensing account. Earnings from investments will be credited to the general fund.

Earnings from investments:

Estimated earnings from investments are indeterminable. Without projected cash flows, OST is unable to estimate the earnings from investments. The amount of earnings by an account is a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period in question. Accordingly, even with a beginning balance of zero, two accounts with the same overall level of receipts, disbursements, and transfers can have different average daily balances, and hence different earnings.

Based on the November 2009 Revenue Forecast, the net rate for estimating earnings for FY 10 is 0.90% and FY 11 is 0.90%. Approximately \$9,000 in FY 10 and \$9,000 in FY 11 in net earnings and \$5,000 in OST management fees would be gained or lost annually for every \$1 million increase or decrease in average daily balance.

Debt Limit:

There may be an impact on the debt service limitation calculation. Any change to the earnings credited to the general fund will change, by an equal amount, general state revenues.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

SB 6376 creates the contractor licensing account. Earnings from investments will be credited to the general fund.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years					
Total:					

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 6376 SB	Title: Contractor licensing laws	Agency: 225-Washington State Patrol
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

Estimated Capital Budget Impact:

	2009-11		2011-13		2013-15	
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total \$	\$0	\$0	\$0	\$0	\$0	\$0

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/13/2010
Agency Preparation: Shawn Eckhart	Phone: 360-596-4080	Date: 01/22/2010
Agency Approval: Bob Maki	Phone: (360) 596-4045	Date: 01/22/2010
OFM Review: Alyson Cummings	Phone: 360-902-0576	Date: 01/25/2010

Request # 0032-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

SB 6376, Section 3(5), states that the director, with the advice and approval of the board (created in section 2), "May adopt rules requiring all applicants to submit to a criminal background check, and the applicant is responsible for the payment of any fees incurred".

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

It is indeterminate what the cash receipt impact is for the Washington State Patrol (WSP), however it could be significant in the event that criminal background checks do become part of the contractor-licensing process.

According to the Department of Labor & Industries, there are currently 54,905 active contractors and 9,814 suspended contractors who will most likely reinstate or re-register. Of this 64,719 total, 26,235 are individuals and the remaining 38,484 are corporations, joint ventures, limited liability companies, limited liability partnerships, or partnerships. It is not known exactly who within an organization would be required to submit to background checks, but we estimate there would be one per individual contractor and at least two in each of the other legal structures.

The contractor licenses would last two years and we estimate that roughly half of the contractors would be re-licensed each year.

Under the above assumptions, we estimate a minimum increase in the number of background checks to be 51,602 per year. This is our calculation:

$(26,235 \times 1 \text{ check}) + (38,484 \times 2 \text{ checks}) = 103,203 \text{ checks} \div 2 \text{ years} = 51,602 \text{ per year.}$

WSP charges \$26.00 for these checks, assuming mailed (paper) fingerprint-based submissions. The legislation does not specify, however, the type of background check. The fee would be only \$10 if it only requires a name/date-of-birth (DOB) background check submitted electronically using Washington Access to Criminal History (WATCH). The legislation also does not mention a federal check via the Federal Bureau of Investigation (FBI), which would add \$19.25 to any WSP fee. This \$19.25, however, would be passed to the FBI and not affect revenue to the Fingerprint Identification Account.

Estimated additional minimum annual revenue for the Fingerprint Identification Account, assuming fingerprint-based mailed (paper) submittals, is:

$51,602 \text{ background checks per year} \times \$26 = \$1,341,652, \text{ or}$

assuming electronically-submitted name/DOB submittals:

$51,602 \text{ background checks per year} \times \$10 = \$516,020$

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

It is indeterminate what the cash expenditure impact is for the Washington State Patrol (WSP), however it could be significant in the event that criminal background checks do become part of the contractor-licensing process.

If the annual increase to background checks is 51,602, as calculated under Cash Receipts Impact above, and if the background checks are fingerprint-based and submitted via mail, WSP anticipates an impact to its workload that would require 9 FTEs. These FTEs include one Information Technology Specialist 4, one Fingerprint Tenprint Supervisor, one Fingerprint Technician Lead, three Fingerprint Technician 2s, and three Fingerprint Technician 1s. The cost of these nine FTEs is \$747,000 in the first year (Fiscal Year 2011) and \$662,000 in each year afterward.

If the assumption is 51,602 additional annual electronically-submitted criminal background checks based on name/DOB, we anticipate a workload impact of one FTE: that of an Information Technology Specialist 4. This FTE would cost about \$110,000 in the first year (FY 2011) and \$101,000 each year afterward.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

SB 6376 does not impact WSP's capital budget.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

SB 6376 does not require rule changes for WSP.

Individual State Agency Fiscal Note

Bill Number: 6376 SB	Title: Contractor licensing laws	Agency: 235-Department of Labor and Industries
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Part I: Estimates



No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2010	FY 2011	2009-11	2011-13	2013-15
General Fund-State 001-1		(5,575,600)	(5,575,600)	(11,865,954)	(12,908,366)
Accident Account-Non-Appropriated 608-6		(144,613)	(144,613)	(289,226)	(289,226)
Medical Aid Account-Non-Appropriated 609-6		(144,613)	(144,613)	(289,226)	(289,226)
Total \$		(5,864,826)	(5,864,826)	(12,444,406)	(13,486,818)

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	0.0	(32.9)	(16.5)	(32.9)	(32.9)
Account					
General Fund-State 001-1	0	(3,262,254)	(3,262,254)	(6,524,508)	(6,524,508)
New Contractor Licensing Acct-State New-1	0	252,000	252,000	0	0
Total \$	0	(3,010,254)	(3,010,254)	(6,524,508)	(6,524,508)

Estimated Capital Budget Impact:

	2009-11		2011-13		2013-15	
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total \$	\$0	\$0	\$0	\$0	\$0	\$0

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

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- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/13/2010
Agency Preparation: Jennifer C Smith	Phone: 360-902-6983	Date: 01/22/2010
Agency Approval: Joshua Swanson	Phone: 360-902-6805	Date: 01/22/2010
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 01/27/2010

Request # 6376-2

Bill # 6376 SB

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

See attached.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

See Attached.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

See attached.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years		(32.9)	(16.5)	(32.9)	(32.9)
A-Salaries and Wages		(1,915,578)	(1,915,578)	(3,831,156)	(3,831,156)
B-Employee Benefits		(596,367)	(596,367)	(1,192,734)	(1,192,734)
C-Personal Service Contracts					
E-Goods and Services		(316,617)	(316,617)	(1,137,234)	(1,137,234)
G-Travel		(174,912)	(174,912)	(349,824)	(349,824)
J-Capital Outlays		(6,780)	(6,780)	(13,560)	(13,560)
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$(3,010,254)	\$(3,010,254)	\$(6,524,508)	\$(6,524,508)

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2010	FY 2011	2009-11	2011-13	2013-15
Communications Consultant 4	60,120		(0.5)	(0.3)	(0.5)	(0.5)
Compliance Specialist Supervisor	69,756		(1.7)	(0.9)	(1.7)	(1.7)
Construction Compliance Inspector 1	63,192		(15.6)	(7.8)	(15.6)	(15.6)
Customer Service Specialist 2	36,756		(6.5)	(3.3)	(6.5)	(6.5)
Office Assistant 2	31,176		(2.0)	(1.0)	(2.0)	(2.0)
Office Assistant 3	33,468		(1.0)	(0.5)	(1.0)	(1.0)
Office Support Supervisor 1	37,620		(1.0)	(0.5)	(1.0)	(1.0)
Program Support Supervisor 2	45,828		(1.0)	(0.5)	(1.0)	(1.0)
Secretary Supervisor	41,508		(1.0)	(0.5)	(1.0)	(1.0)
Tax Service Representative	38,556		(1.0)	(0.5)	(1.0)	(1.0)
WMS Band 1	64,824		(1.0)	(0.5)	(1.0)	(1.0)
WMS Band 3	91,524		(0.6)	(0.3)	(0.6)	(0.6)
Total FTE's	614,328		(32.9)	(16.5)	(32.9)	(32.9)

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

See attached.

Part II: Explanation

This bill transfers the Contractor Compliance program from L&I to DOL. It also creates a contractor licensing board, contractor licensing requirements, and a dedicated contractor licensing account.

This bill is effective 90 days after Sine Die.

II. A – Brief Description of What the Measure Does that Has Fiscal Impact

Section 1. Amends RCW 18.27.010 - Registration of Contractors – Definitions, by changing “Department of Labor and Industries” to “Department of Licensing” and changing “registration” to “license”. It also defines a contractor licensing board.

Section 2. Adds a new section to RCW 18.27 that creates a contractor licensing board.

Section 3. Adds a new section to RCW 18.27 giving the director of DOL the authority to adopt and enforce rules relating to licensing contractors, establish standards for licensing in other jurisdictions, possible requirement of criminal background checks, establish exemptions, set fees, adopt continuing education requirements and waivers for licenses, take disciplinary action against contractor education programs and instructors, and develop and provide educational programs and materials.

Section 4. Adds a new section to RCW 18.27 giving the director of DOL the authority to adopt a seal with the words “Washington State Contractor Licensing.”

Section 5. Adds a new section to RCW 18.27 giving the director of DOL the authority to publish a copy of chapter 18.27, information relating the enforcement of the chapter, and allow for possible mailing of a copy to all licensed contractors.

Section 6. Adds a new section to RCW 18.27 requiring all employees of DOL who direct, administer, regulate, or enforce the contractor laws and rule to relinquish all interest in any contractor business regulated under this chapter.

Section 7. Adds a new section to RCW 18.27 creating a dedicated account for contractor licensing. It directs all money from fines imposed under the chapter be reinvested in the contractor education program.

Section 8. Adds a new section to RCW 18.27 requiring all fees paid to be deposited into the contractor licensing account, and only be used to administer this chapter.

Section 9. Adds a new section to RCW 18.27 giving the director of DOL authority to appoint adequate staff to assist him.

Section 10. Amends RCW 18.27.020 by changing “registered” to “licensed” and deleting “Labor and Industries.”

Section 11. Amends RCW 18.27.030 by requiring that contractors be 18 years or older, have the necessary education and work experience as established by the board to receive a license, and pass the contractor’s licensing exam. It also changes “register” to “license.” It states that a contractor’s license may be renewed after completing continuing education courses and paying the renewal fee.

Section 12. Amends RCW 18.27.040 by changing “registration” to “license.”

Section 13. Amends RCW 18.27.050 by changing “registration” to “license” and “reregistration” to “renewal.”

Section 14. Amends RCW 18.27.060 by changing “registration” to “license” and “reregistration” to “renewal. It also requires proof of continuing education participation.

Section 15. Amends RCW 18.27.065 by changing “registration” to “license.”

Section 16. Amends RCW 18.27.070 by changing “certificate of registration” to “license” and “certificates” to “license.”

Section 17. Amends RCW 18.27.075 by changing “certificate of registration” to “license.”

Section 18. Amends RCW 18.27.080 by changing “certificate of registration” to “license,” “registered” to “licensed,” and “certificates” to license.”

Section 19. Amends RCW 18.27.090 by changing “registration” to “licensing.”

Section 20. Amends RCW 18.27.100 by changing “registration” to “licensing.”

Section 21. Amends RCW 18.27.104 by changing “registration” to “licensing.”

Section 22. Amends RCW 18.27.110 by changing “registration” to “licensing.”

Section 23. Amends RCW 18.27.114 by changing “registration” to “licensing.”

Section 24. Amends RCW 18.27.117 by changing “registration” to “licensing.”

Section 25. Amends RCW 18.27.120 by changing “registered” to “licensed.”

Section 26. Amends RCW 18.27.130 by changing “registered” to “licensed.”

Section 27. Amends RCW 18.27.200 by changing “registered” and “registration” to “licensed.”

Section 28. Amends RCW 18.27.205 by changing “unregistered” to “unlicensed”.

Section 29. Amends RCW 18.27.210 by changing “registered” to “licensed”.

Section 30. Amends RCW 18.27.215 by changing “registered” to “licensed” and “unregistered” to “unlicensed”.

Section 31. Amends RCW 18.27.225 by changing “register” to “obtain a license”.

Section 32. Amends RCW 18.27.240 by changing “unregistered” to “unlicensed”.

Section 33. Amends RCW 18.27.270 by changing “register” to “obtain a license” and “registered” to “licensed”.

Section 34. Amends RCW 18.27.310 by changing “unregistered” to “unlicensed” and “registered” to “licensed”.

Section 35. Amends RCW 18.27.320 by changing “registered” to “licensed”.

Section 36. Amends RCW 18.27.340 by changing “register” to “obtain a license” and “registered” to “licensed”.

Section 37. Amends RCW 18.27.342 by changing “register” to “obtain a license” and delete “the appropriations committee of the”.

Section 38. Amends RCW 18.27.360 by changing “certificate of registration” to “license”.

Section 39. Amends RCW 18.27.370 by changing “unregistered” to “unlicensed”.

Section 40. Amends RCW 18.27.385 by changing “unregistered” to “unlicensed”.

Section 41. Amends RCW 18.27.390 by changing “unregistered” to “unlicensed” and adds “department of licensing” to the unlicensed contractor enforcement team.

II. B – Cash Receipt Impact

There will be a reduction of General Fund-State (GF-S) revenue. The current registration and renewal fees and citation payments are deposited directly into the GF-S account. Under this legislation, all monies will be deposited into a new dedicated Contractor Licensing Account.

Table 1 below shows the estimated revenue for contractor registration, including fiscal growth factor, for Fiscal Years 2011-2015. Under this legislation, these revenues would not go into the General Fund as they do currently.

TABLE 3

FY11	FY12	FY13	FY14	FY15
\$5,575,600	\$5,808,103	\$6,057,851	\$6,318,339	\$6,590,027

Besides the negative impact to the General Fund, this legislation would negatively affect the revenue going into the Accident Fund and Medical Aid Funds. In Fiscal Year 2009, contractor registration referrals resulted in audit assessments of \$728,174. Assuming a 30 percent

collections rate, these referrals resulted in \$218,452 in added revenue for the Accident and Medical Aid Funds ($\$728,174 \times 0.30$). L&I assumes there will be a 50 percent loss in efficiency in making referrals when Contractor Registration moves to DOL. This results in an annual revenue loss to the Accident and Medical Aid Funds of \$109,226 ($\$218,452 \times 0.5$).

In addition to audit referrals, contractor registration also makes industrial insurance referrals directly to the collections program when they find delinquent contractors on a job site. In Fiscal Year 2009, there were 288 accounts referred to industrial insurance collections for \$1.2 million in premiums. Assuming future potential collection referrals would be equivalent to Fiscal Year 2009, at a 30 percent collection rate, and a 50 percent loss in efficiency, the result would be an annual loss to the Accident and Medical Aid Funds of \$180,000 ($\$1.2 \text{ million} \times 0.3 \times 0.5$).

The total annual loss to the Accident and Medical Aid Funds is \$289,226.

II. C – Expenditures

Assumptions

The Department of Licensing (DOL) will take on all functions of Contractor registration. These are:

- Licensing
- Bond and Insurance
- Renewals/Reinstatements
- Suspension/Expirations/Revoking
- Printing certifications/renewal notices
- Infractions
- Investigation and enforcement
- Process Summon/complaints and Judgments
- Prosecute repeat offenders
- Collecting money from infractions

L&I will keep the Accident and Medical Aid funds and FTE for the social marketing campaign that educates the public on the impact to the Workers' Compensation system when they hire illegal contractors. The General Fund dollars and FTE will be transferred to DOL.

L&I will also keep the six FTE and dollars associated with the FAIR team. These staff are part of the construction compliance program and are not directly tied to contractor registration.

Operating Costs

Table 4 below shows the dollars and FTE that L&I will transfer to DOL beginning in Fiscal Year 2011.

TABLE 4

Program	Dollars	FTE
Contractor Registration	\$3,055,263	34.4
Legal Costs	\$370,655	0
Social Marketing	\$38,478	0.5
Indirect Costs	\$179,858	0
Governor's Supplemental Budget Reduction	(\$382,000)	(2.0)
TOTAL	\$3,262,254	32.9

The FTE are as follows:

- 17.6 Construction Compliance Inspector 1
- 1.7 Compliance Specialist Supervisor
- 1 Program Support Supervisor 2
- 6.5 Customer Service Specialist 2
- 1 Tax Service Representative 2
- 2 Office Assistant 2
- 1 Office Assistant 3
- 1 Office Support Supervisor 1

- 1 Secretary Supervisor
- 1 WMS Band 1 (Outreach Manager)
- 0.6 WMS Band 3 (Program Chief)
- 0.5 Communications Consultant 4

Labor and Industries has assumed that the two positions to be eliminated with the Governor's supplemental budget reduction are Construction Compliance Inspector 1.

Information Technology Costs

Basic Assumptions

- DOL would own the contractor registration data and all data sharing agreements with other agencies.
- L&I would still have data sharing agreements for other license types that L&I owns.
- L&I would no longer display construction contractor information on our public website "Lookup a contractor."
- L&I would not accept bond and insurance information through the nightly interface for construction contractors.
- L&I requires real-time data from DOL to keep our other systems functional.
- L&I needs a 12-digit contractor ID that is unique to all other L&I license types.
- The money in the following systems would transfer to DOL with the program and have to be adjusted out of L&I systems:
 - Accounts Receivable and Collections debt equaling \$11,402,838.
 - Assignment of Savings accounts
 - Existing contractor deposit accounts equaling \$60,000.
- Existing payment plans and settlement agreements are legally binding, and would stay at L&I.

Interim Solution

L&I is proposing an interim solution until DOL can build or adapt their own information technology systems.

- DOL would use our applications to continue to process licenses and compliance activities while they build their own systems.

- L&I would build new groups specific to DOL so they could log in and access a “condensed” version of QuickCards.
- L&I would remove interfaces to our revenue recording system and our Accounts Receivable system.
- DOL will be able to log into these applications at L&I to process licensing for construction contractors for an interim period while developing their own system.

Interim Solution Assumptions

- Contractor license renewal is disabled externally.
- DOL users would be within L&I domain and authenticated to L&I domain groups.
- DOL will print licenses, letters, and renewal notices.
- Code given to DOL will not include letters and letter generation, payment processing service, connection to Receivable application, or nightly batch jobs.
- L&I would no longer process bond and insurance updates for construction contractor from contractor bond and insurance company through batch process.
- L&I has the capacity for new applications and tables.

Costs

Table 5 below shows the costs associated with the above assumptions.

TABLE 5

Deliverables	Hours
New login screens and application security	40 hours
New internal QuickCards application includes: <ul style="list-style-type: none">• Remove non-construction contractor code• Create new webs• New tables and data migration• New batch jobs• Update data interfaces• Change payment processing• Data transfers to DOL• Refactor and separate logic for combined licenses	<ul style="list-style-type: none">• 80 hours• 20 hours• 320 hours• 120 hours• 240 hours• 20 hours• 80 hours• 500 hours
New Infraction/Citation application	260 hours
New Infraction/Citation Writer (ICW)	40 hours
New ICWConnect	40 hours
Change Front Counter Mailroom/Fiscal	100 hours
Changes to existing internal QuickCards: <ul style="list-style-type: none">• Searches• Disabling Current functionality for construction contractors	<ul style="list-style-type: none">• 60 hours• 220 hours
Remove Contracts from existing ICW	100 hours
Total	2,240 hours

Accounts Receivables and Collections Impacts

400 contractor hours are required to:

- Modify multiple batch jobs to purposely exclude these receivables from ARC processes and to halt collection and financial reporting practices for this program area.
- Modify ARC application data to ensure updates or additions to this program area is no longer allowed.

Data Transfers

160 contractor hours are required to:

- Build an interface to receive data from DOL.
- Provide data to DOL to verify unique licenses.

The total contractor hours that we are able to determine are 2,800. The hourly rate is \$90 per hour. This equals \$252,000 necessary to make changes to L&I systems. These funds would come from the new Contractor Licensing Accounts.

Other

- 8 hours to make minor application changes so that licensing information is no longer displayed by the Contractor Restricted Premium Status Information program.
- 40 hours to remove all reference to Construction and Construction Compliance from our external content pages, transition style sheets to DOL, and to redirect links.
- 160 hours to set up data-sharing agreements if ownership of licensing data moves from L&I to DOL.

Existing staff will complete this work.

Undetermined IT Costs

The Contractor registration database information in QuickCards ties into many other systems at L&I, including Accounts Receivable and Collections, “Look Up a Contractor” web application,

the Infraction/Citation System, and others. We are unable to determine the costs at this time for the following:

- Cross-referencing owners of businesses with contractor information. This helps us track if a person was a contractor, was suspended or has violations, closed their business, and tried opening another.
- Method of recording the reduction of the amount of debt in ARC that is owed to L&I.
- Method of archiving data, documents, and reports relating to this program.
- Method of transferring to DOL the data, documents, and reports relating to this program.
- Managing payments for Infractions or Citation.
- Accounting impacts.

Indirect Costs

The amount that will be transferred to DOL from L&I for indirect costs will be \$179,858 in Fiscal Year 2011. This does not include any FTE.

Depending on the agency's needs, examples of activities provided in Administrative Services and Information Services include:

- Vendor payment and payroll processing.
- Equipment purchase, delivery, inventory, storage and set-up.
- Technical support to employees.
- Desk-top and network support.
- Internal IT systems support.
- Contract and purchasing services.
- Legislative and Public Affairs.
- Library services and public disclosure.
- Personnel and employee services.
- Budget and accounting.
- Facilities management.

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

Repeal Chapter 296-200A WAC – Contractor certificate of registration renewals – security – insurance

Amend RCW 51.08.180 – “Worker” – Exceptions

Amend RCW 51.08.070 – “Employer” - Exceptions

Individual State Agency Fiscal Note

Bill Number: 6376 SB	Title: Contractor licensing laws	Agency: 240-Department of Licensing
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2010	FY 2011	2009-11	2011-13	2013-15
Contractor Licensing Account-State New-1		5,575,600	5,575,600	11,865,954	12,908,366
Total \$		5,575,600	5,575,600	11,865,954	12,908,366

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	0.0	36.4	18.2	35.7	35.7
Account					
Contractor Licensing Account-State New-1	0	3,040,745	3,040,745	6,589,848	6,594,918
Total \$	0	3,040,745	3,040,745	6,589,848	6,594,918

Estimated Capital Budget Impact:

Total \$					

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/13/2010
Agency Preparation: Jill Rider	Phone: (360) 902-3943	Date: 02/04/2010
Agency Approval: Sam Knutson	Phone: (360) 902-3644	Date: 02/04/2010
OFM Review: Erik Hansen	Phone: 360-902-0423	Date: 02/04/2010

Request # 6376 SB-2

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years		36.4	18.2	35.7	35.7
A-Salaries and Wages		1,915,578	1,915,578	3,831,156	3,831,156
B-Employee Benefits		596,367	596,367	1,192,734	1,192,734
C-Personal Service Contracts					
E-Goods and Services		347,108	347,108	1,174,659	1,178,894
G-Travel		174,912	174,912	377,739	378,574
J-Capital Outlays		6,780	6,780	13,560	13,560
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$3,040,745	\$3,040,745	\$6,589,848	\$6,594,918

III. B - Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2010	FY 2011	2009-11	2011-13	2013-15
New Staff			3.5	1.8	2.8	2.8
Transferring staff			32.9	16.5	32.9	32.9
Total FTE's			36.4	18.2	35.7	35.7

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Part II: Explanation

SB 6376 transfers the current contractor registration program from the Department of Labor and Industries (L&I) to the Department of Licensing (DOL) and changes it to a fee-supported licensing program with a regulatory board appointed by the Governor. This bill also creates a Contractor Licensing Account within the State Treasury.

II. A – Brief Description of What the Measure Does that Has Fiscal Impact

Section 1 amends RCW 18.27.010 to transfer the contractor program from the Department of Labor and Industries and establishing a licensing program in the Department of Licensing.

Section 2 adds a new section to RCW 18.27 that creates a contractor licensing board appointed by the Governor.

Section 3 adds a new section to RCW 18.27 giving the director of DOL the authority to adopt and enforce rules, establish standards, allow criminal background checks, establish exemptions, set fees, adopt continuing education requirements and waivers for licenses, take disciplinary action against contractor education programs and instructors, and develop and provide educational programs and materials.

Section 4 adds a new section to RCW 18.27 giving the director of DOL the authority to adopt a seal with the words "Washington State Contractor Licensing."

Section 5 adds a new section to RCW 18.27 giving the director of DOL the authority to publish a copy of chapter 18.27, information relating the enforcement of the chapter, and allow for possible mailing of a copy to all licensed contractors.

Section 7 adds a new section to RCW 18.27 creating a dedicated account for contractor licensing. It directs all money from fines imposed under the chapter be reinvested in the contractor education program.

Section 8 adds a new section to RCW 18.27 requiring all fees paid to be deposited into the contractor licensing account, and only be used to administer this chapter.

Section 9 adds a new section to RCW 18.27 giving the director of DOL authority to appoint adequate staff.

Section 10 amends RCW 18.27.020 to require every contractor to be licensed and authorizes the director of DOL to establish a two-year audit and monitoring program

Section 11 amends RCW 18.27.030 by providing that a contractor's license may be renewed after completing continuing education courses and paying a renewal fee.

<u>Workload Indicator</u>	<u>FY 10</u>	<u>FY 11</u>	<u>09-11 Total</u>	<u>11-13 Total</u>	<u>13-15 Total</u>
Processing Originals/Renewals		27,500	27,500	55,000	55,000
Processing Re-instatements		6,000	6,000	12,000	12,000
Audit/Input to BPD Rev Audit System		33,500	33,500	61,000	67,000
New Employees		32	32	64	64

II. B – Cash Receipt Impact

SB 6376 transfers the Contractor Licensing program from L&I to DOL and creates a new dedicated account for all fees associated with this program. This bill also requires that all fines must be reinvested in the contractor education program but does not create a new account specifically for this purpose. Cash receipt estimates shown below are based on information received from L&I. Section 7 requires that the program be fee supported and existing revenues indicate that it is already in compliance with RCW 43.24.086. DOL has made no changes to existing fee structures or alterations to existing cash receipt estimates. According to L&I there are approximately 55,000 active registrants that renew on a two-year cycle.

<u>Cash Receipts</u>	<u>FY 10</u>	<u>FY 11</u>	<u>09-11 Total</u>	<u>11-13 Total</u>	<u>13-15 Total</u>
General Fund-State	-	-	-	-	-
Contractor Licensing Account	-	5,575,600	5,575,600	11,865,954	12,908,366
Total Revenue	-	5,575,600	5,575,600	11,865,954	12,908,366

II. C – Expenditures

SB 6376 transfer the Contractor Licensing program to DOL and change the existing structure from a registration program to a licensing program. This change adds the need for continuing education, examination, and board activity elements and allows for background checks. The expanded nature of the program requirements results in this move between agencies to include expenditures beyond the initial financial transfer.

The effective date of this bill is June 10, 2010 (90 days after the close of Session). Because registration of contractors is currently occurring, it is assumed that no changes would happen initially. DOL assumes that all L&I staff involved in the transfer would remain at their L&I location and that existing computer systems would be used to provide registration for contractors. The DOL also assumes that all furnishing associated with staff in the program would transfer from L&I to DOL. The DOL further assumes that implementation to a full licensing program would be effective July 1, 2011. This implementation date allows for the appointment of board members, the development of rules, and the modification or development of systems to be established to support this program.

This bill allows for a seven to nine member board. For the purpose of estimating expenditures the DOL is assuming a nine member board for all compensation and travel costs. It is assumed there will be four board meetings in Fiscal Year 2011 and 5 board meeting per year from Fiscal Year 2012 and forward. The board members will be compensated at \$50 per day, per meeting for a total cost of \$1,800 in Fiscal Year 2011 and \$2,250 in each subsequent year. Travel costs have been estimated at \$11,561 in Fiscal Year 2011 and \$13,65 each following year. Costs estimates include both board members and DOL staff.

Since existing contractor registrants pay fees through use of credit card, it is assumed that this practice will continue. It is estimated that twenty-percent of registrants will pay by credit card at a cost to the department of \$13,673 in Fiscal Year 2011. Costs are estimated to increase each fiscal year with a six-percent increase estimated in transactions per year.

The initial funding transfer from L&I is estimated to include amounts for administrative and information services. As a result, no funding is being requested for the increase in staff and systems works that will be required to accommodate this transfer. A request, however, is included for the staff FTEs needed that have not been transferred from L&I.

A complete list of staff is provided below as well as a summary of the system work that will be needed prior to fully implementation of this legislation.

Position Title	FY 11	FY 12	FY 13	FY 14	FY 15
Positions transferring from LNI to DOL					
Construction Compliance Inspector 1	15.6	15.6	15.6	15.6	15.6
Compliance Specialist Supervisor	1.7	1.7	1.7	1.7	1.7
Program Support Supervisor	1.0	1.0	1.0	1.0	1.0
Customer Service Specialist 2	6.5	6.5	6.5	6.5	6.5
Tax Service Representative 2	1.0	1.0	1.0	1.0	1.0
Office Assistant 2	2.0	2.0	2.0	2.0	2.0
Office Assistant 3	1.0	1.0	1.0	1.0	1.0
Office Support Supervisor 1	1.0	1.0	1.0	1.0	1.0
Secretary Supervisor	1.0	1.0	1.0	1.0	1.0
Outreach Manager (WMS Band 1)	1.0	1.0	1.0	1.0	1.0
Program Chief (WMS Band 3)	0.6	0.6	0.6	0.6	0.6
Communications Consultant 4	0.5	0.5	0.5	0.5	0.5
Total Transferred to DOL	32.9	32.9	32.9	32.9	32.9
New Positions Needed in DOL					
Fiscal Technician 2	0.5	0.5	0.5	0.5	0.5
Fiscal Analyst 1	0.7	0.7	0.7	0.7	0.7
Fiscal Analyst 5	0.2				
Human Resource Consultant 3	0.5	0.5	0.5	0.5	0.5
Customer Services Specialist 2	1.0	1.0	1.0	1.0	1.0
IT Specialist 4		0.1	0.1	0.1	0.1
IT Specialist 5	0.6				
Total New to DOL	3.5	2.8	2.8	2.8	2.8
TOTAL FTE NEED	36.4	35.7	35.7	35.7	35.7

Information System Assumptions:

Licenses involved:

- New license – Washington State Contractors

Endorsements involved:

- Approximately up to 55 potential endorsements

Special considerations:

1. Data Migration
2. Web Service for Data to L&I
3. Revenue deposits
4. Examinations – exam vendor interface
5. Education and experience – data collection
6. Insurance and bonding requirements; data collection
7. Fingerprint and Background verification
8. Renewal every 2 years
9. Renewal with Continuing Education, proof of Bond / Insurance; data collection
10. Investigatory and Administrative Sanctions
11. Valid Business License – relationship with Business License

Other Special considerations:

1. School –administer the approved education / school database
2. Section 40 – expands social marketing campaign aimed at consumers

Systems involved:

- BPD Venture professional licensing system (Venture)
- BPD Compliance Tracking System (CTS)
- BPD Reports reporting tool
- BPD License Query System (LQS)
- DOL Revenue systems (new professions)
- BPD School and Courses (Access – New Application / Activate screens on Venture)
- New Web Service that L&I can access to obtain data

The legislation allows for a fingerprint-based background check, however, no cost estimates are provided at this time. The bill requires the cooperation and consent of a Governor appointed board and many of the cost estimates are dependent on rules that will be written once this board is in place. For the purpose of this fiscal note no cost estimates have been prepared as they relate to examinations or continuing education requirements since subsequent decisions could significantly alter these estimates.

It is also assumed that there will be workload associated with complaints and investigations as well as an increased effort to address unlicensed activity. Currently L&I does not track complaints which limits the ability to estimate the volume of cases. L&I estimates that there are approximately 10,000 unregistered contractors. Because DOL has no data on which to base cost estimates for these efforts, no additional FTEs or expenditures have been included in this analysis.

In addition, no estimates have been included for Assistant Attorney General time, printing, postage, office furnishing or space, or any additional costs that may be associated with developing this licensing program.

Part III: Expenditure Detail

III. A – Expenditures by Object or Purpose

	FY 10	FY 11	09-11 Total	11-13 Total	13-15 Total
FTE Staff Years		36.4	36.4	35.7	35.7
Salaries and Wages		1,917,378	1,917,378	3,831,156	3,831,156
Employee Benefits		596,544	596,544	1,192,734	1,192,734
Personal Service Contracts		0	-	-	-
Goods and Services		333,570	333,570	1,174,659	1,178,894
Travel		186,473	186,473	377,739	378,574
Equipment		6,780	6,780	13,560	13,560
Total		3,040,745	3,040,745	6,589,848	6,594,918

III. A (2) – Detail of Expenditures by Fund

Additional information about assumptions and impacts is available directly from the Department of Licensing at 902-3644.

III. B – FTE Detail

See table above.

III. B – Expenditures by Program (optional)

Program	FY 10	FY 11	09-11 Total	11-13 Total	13-15 Total
100 - Mgmt & Support Services	-	212,623	212,623	329,491	329,746
200 - Information Services	-	151,874	151,874	461,289	461,644
300 - Driver & Vehicle Services					
600 - Driver Policy & Planning					
700 - Business & Professions	-	2,676,248	2,676,248	5,799,066	5,803,528
<i>Total</i>	-	3,040,745	3,040,745	6,589,846	6,594,918

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

Rule making will be needed.



Multiple Agency Ten-Year Analysis Summary

Bill Number	Title
6376 SB	Contractor licensing laws

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

Estimated Cash Receipts (Dollars in Thousands)

Agency Name	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	2010-19 TOTAL
Office of State Treasurer	0	0	0	0	0	0	0	0	0	0	0
Washington State Patrol	Non-zero but indeterminate impact										
Department of Labor and Industries	0	0	0	0	0	0	0	0	0	0	0
Department of Licensing	0	5,575,600	5,808,103	6,057,851	6,318,339	6,590,027	6,873,398	7,168,954	7,477,219	7,798,740	59,668,231
Total	0	5,575,600	5,808,103	6,057,851	6,318,339	6,590,027	6,873,398	7,168,954	7,477,219	7,798,740	59,668,231



Ten-Year Analysis

Bill Number 6376 SB	Title Contractor licensing laws	Agency 090 Office of State Treasurer
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp> .

Estimates

☒ **No Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
--------------------	-----------	--	--	--	--	--	--	--	--	--	--	--

Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 1/14/2010 9:15:28 am
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 1/14/2010 9:15:28 am
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 2/4/2010 3:24:36 pm



Ten-Year Analysis

Bill Number 6376 SB	Title Contractor licensing laws	Agency 225 Washington State Patrol
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☐ No Cash Receipts ☒ Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code											
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Narrative Explanation (Required for Indeterminate Cash Receipts)

The revenue impact of HB 6376 over the next ten years is indeterminate. However if criminal background checks end up being required for contractor licensing, we have estimated a potential impact of 51,602 additional background checks a year. Two scenarios that we have evaluated are fingerprint-based checks submitted by mail, and name/date-of-birth checks submitted electronically. The fee for the former is \$26 and would generate an estimated \$1,361,652 a year in revenue to the Fingerprint Identification Account, beginning in fiscal year 2011. The fee for the latter is \$10 and would generate an estimated \$516,020 a year in revenue to the Fingerprint Identification Account, beginning in fiscal year 2011.

Agency Preparation: Shawn Eckhart	Phone: 360-596-4080	Date: 1/22/2010 4:57:42 pm
Agency Approval: Bob Maki	Phone: (360) 596-4045	Date: 1/22/2010 4:57:42 pm
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 2/4/2010 3:24:36 pm



Ten-Year Analysis

Bill Number 6376 SB	Title Contractor licensing laws	Agency 235 Department of Labor and Industries
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☐ **No Cash Receipts** ☐ **Indeterminate Cash Receipts**

Estimated Cash Receipts

Name of Tax or Fee	Acct Code	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	2010-19 TOTAL
	001											
Total												

Biennial Totals

Agency Preparation: Jennifer C Smith	Phone: 360-902-6983	Date: 1/22/2010 4:09:19 pm
Agency Approval: Joshua Swanson	Phone: 360-902-6805	Date: 1/22/2010 4:09:19 pm
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 2/4/2010 3:24:36 pm



Ten-Year Analysis

Bill Number 6376 SB	Title Contractor licensing laws	Agency 240 Department of Licensing
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☐ **No Cash Receipts**
☐ **Indeterminate Cash Receipts**

Estimated Cash Receipts

Name of Tax or Fee	Acct Code	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	2010-19 TOTAL
Contractor License Fee	New		5,575,600	5,808,103	6,057,851	6,318,339	6,590,027	6,873,398	7,168,954	7,477,219	7,798,740	59,668,231
Total			5,575,600	5,808,103	6,057,851	6,318,339	6,590,027	6,873,398	7,168,954	7,477,219	7,798,740	59,668,231

Biennial Totals	5,575,600	11,865,954	12,908,366	14,042,352	15,275,959	59,668,231
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Agency Preparation: Jill Rider	Phone: (360) 902-3943	Date: 2/4/2010 8:36:06 am
Agency Approval: Sam Knutson	Phone: (360) 902-3644	Date: 2/4/2010 8:36:06 am
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 2/4/2010 3:24:36 pm