

Multiple Agency Fiscal Note Summary

| | |
|---------------------------------|-------------------------------------|
| Bill Number: 1552 P S HB | Title: Metal theft reduction |
|---------------------------------|-------------------------------------|

Estimated Cash Receipts

| Agency Name | 2013-15 | | 2015-17 | | 2017-19 | |
|---------------------------|--|----------------|---------------|----------------|---------------|----------------|
| | GF- State | Total | GF- State | Total | GF- State | Total |
| Office of State Treasurer | Non-zero but indeterminate cost. Please see discussion." | | | | | |
| Department of Revenue | 72,000 | 72,000 | 54,000 | 54,000 | 54,000 | 54,000 |
| Washington State Patrol | Non-zero but indeterminate cost. Please see discussion." | | | | | |
| Department of Licensing | 0 | 544,409 | 0 | 560,841 | 0 | 560,083 |
| Department of Corrections | 0 | 1,809 | 0 | 736 | 0 | 282 |
| Total \$ | 72,000 | 618,218 | 54,000 | 615,577 | 54,000 | 614,365 |

Estimated Expenditures

| Agency Name | 2013-15 | | | 2015-17 | | | 2017-19 | | |
|--------------------------------------|--|------------|------------------|------------|------------|------------------|------------|------------|------------------|
| | FTEs | GF-State | Total | FTEs | GF-State | Total | FTEs | GF-State | Total |
| Administrative Office of the Courts | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | |
| Office of State Treasurer | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Caseload Forecast Council | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Department of Revenue | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Washington State Patrol | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | |
| Criminal Justice Training Commission | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | |
| Department of Licensing | 2.8 | 0 | 598,518 | 2.6 | 0 | 479,997 | 2.6 | 0 | 478,272 |
| Department of Corrections | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | |
| Total | 2.8 | \$0 | \$598,518 | 2.6 | \$0 | \$479,997 | 2.6 | \$0 | \$478,272 |

| | | | | | | | | | |
|---------------------|---|--|--|--|--|--|--|--|--|
| Local Gov. Courts * | Non-zero but indeterminate cost. Please see discussion. | | | | | | | | |
| Local Gov. Other ** | Non-zero but indeterminate cost. Please see discussion. | | | | | | | | |
| Local Gov. Total | | | | | | | | | |

Estimated Capital Budget Impact

NONE

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

** See local government fiscal note

FNPID 34761

FNS029 Multi Agency rollup

| | | |
|-------------------------------------|---------------------------------|---|
| Prepared by: Jim Albert, OFM | Phone: (360) 902-0419 | Date Published: Final 2/28/2013 |
|-------------------------------------|---------------------------------|---|

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

** See local government fiscal note

FNPID 34761

FNS029 Multi Agency rollup

Judicial Impact Fiscal Note

| | | |
|---------------------------------|-------------------------------------|---|
| Bill Number: 1552 P S HB | Title: Metal theft reduction | Agency: 055-Admin Office of the Courts |
|---------------------------------|-------------------------------------|---|

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

| Account | FY 2014 | FY 2015 | 2013-15 | 2015-17 | 2017-19 |
|-----------------|---------|---------|---------|---------|---------|
| Counties | | | | | |
| Cities | | | | | |
| Total \$ | | | | | |

Estimated Expenditures from:

| |
|--|
| Non-zero but indeterminate cost. Please see discussion. |
|--|

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

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.

| | | |
|-----------------------------------|-----------------------|------------------|
| Legislative Contact: Sarah Koster | Phone: 360-786-7303 | Date: 02/21/2013 |
| Agency Preparation: David Elliott | Phone: 360-705-5226 | Date: 02/25/2013 |
| Agency Approval: Dirk Marler | Phone: 360-705-5211 | Date: 02/25/2013 |
| OFM Review: David Dula | Phone: (360) 902-0547 | Date: 02/25/2013 |

Request # CJ-1

Part II: Narrative Explanation

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

The bill addresses licensure of scrap metal dealers, imposing new penalties.

Sections with potential court impact:

Section 2 would amend 9A.56.040 first degree theft to redefine and expand the definition of (d) metal wire to be commercial metal property, nonferrous metal property, or private metal property and to expand coverage from public utilities to all owner's property.

Section 3 would amend 9A.56.030 second degree theft to redefine and expand the definition of (c) metal wire to be commercial metal property, nonferrous metal property, or private metal property and to expand coverage from public utilities to all owner's property.

Section 7 would amend RCW 19.290.070 related to gross misdemeanor crimes and metal theft to add a new potential charging circumstance for providing false or fictitious oral or written information intended to deceive a purchaser of scrap metal as to the actual seller of scrap metal.

Section 8 is a new section of chapter 19.290 RCW that creates a new gross misdemeanor crime for operating a scrap metal business without a license. The section also creates a new class C felony crime for multiple violations.

Section 19 allows the Director of the Department of Licensing (DOL) to petition a superior court for an order to appear before the director.

Section 24 would amend 9.94A.515 related to ranking felony crimes by seriousness level to establish seriousness level II for the crime of Scrap Processing, Recycling, or Supplying without a license (described in Section 8 of the bill).

II. B - Cash Receipts Impact

none

II. C - Expenditures

There are expected to be minimal expenditure impacts from the bill. Judicial Information System law tables will require adjustment but that is considered usual and customary work that can be absorbed by Administrative Office of the Courts (AOC).

There is the potential for court impact for the crimes defined in Section 8 of the bill and for court action in responding to a request from the Director of Licensing in Section 19. Neither is expected to be a frequent occurrence. There is no data to predict how often a misdemeanor or felony will be charged and result in a trial. The trial rate for felony crimes ranked at seriousness level II is five percent; this means that five out of every 100 charges are expected to require a trial.

To provide scale: it would require over 100 misdemeanor trials and 25 felony trials per year to exceed the \$50,000 threshold. Using the five percent estimate it would take 500 felony charges to result in 25 trials.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

SOURCES:

Judicial Information System data
Caseload Forecast Council (CFC) trial rate data for 2012
National Center for State Courts time metrics
Washington Association of Prosecuting Attorney input

Individual State Agency Fiscal Note

| | | |
|---------------------------------|-------------------------------------|--|
| Bill Number: 1552 P S HB | Title: Metal theft reduction | Agency: 090-Office of State Treasurer |
|---------------------------------|-------------------------------------|--|

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

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: Sarah Koster | Phone: 360-786-7303 | Date: 02/21/2013 |
| Agency Preparation: Dan Mason | Phone: 360-902-9090 | Date: 02/21/2013 |
| Agency Approval: Dan Mason | Phone: 360-902-9090 | Date: 02/21/2013 |
| OFM Review: Chris Stanley | Phone: (360) 902-9810 | Date: 02/21/2013 |

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.

PSHB 1552 creates the Washington metal theft prevention authority account. Earnings from investments will be credited to the general fund.

Earnings from investments:

Estimated earnings from investments are indeterminable because projected cash flows are needed to make the estimate and are currently unavailable. Earnings for an account are 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 under review. 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.

For illustrative purposes, assume based on the November 2012 revenue forecast that approximately \$1,600 in FY 13, \$1,000 in FY 14, \$1,000 in FY 15, \$5,300 in FY 16, and \$25,400 in FY 17 in net earnings would be gained or lost annually for every \$1 million shift in average daily cash balances.

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.

PSHB 1552 creates the Washington metal theft prevention authority 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

NONE

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.

Individual State Agency Fiscal Note

| | | |
|---------------------------------|-------------------------------------|--|
| Bill Number: 1552 P S HB | Title: Metal theft reduction | Agency: 101-Caseload Forecast Council |
|---------------------------------|-------------------------------------|--|

Part I: Estimates

☒ No Fiscal Impact

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: Sarah Koster | Phone: 360-786-7303 | Date: 02/21/2013 |
| Agency Preparation: Ed Vukich | Phone: 360-664-9374 | Date: 02/21/2013 |
| Agency Approval: John Steiger | Phone: 360-664-9370 | Date: 02/21/2013 |
| OFM Review: Cherie Berthon | Phone: 360-902-0659 | Date: 02/21/2013 |

Request # 13-055-1

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.

See the attachment.

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.

None.

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 the attachment.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

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.

None.

PSHB 1552

THE REDUCTION OF METAL THEFT

101 – Caseload Forecast Council

February 21, 2013

SUMMARY

A brief description of what the measure does that has fiscal impact.

- Section 2 expands the definition of theft in the first degree: an existing Class B felony offense ranked at Seriousness Level II on the adult felony sentencing grid and ranked at Offense Category B on the juvenile offender sentencing grid.
- Section 3 expands the definition of theft in the second degree: an existing Class C felony offense ranked at Seriousness Level I on the adult felony sentencing grid and ranked at Offense Category C on the juvenile offender sentencing grid.
- Section 7 establishes a new gross misdemeanor offense for knowingly making a false or fictitious oral or written statement to furnish or exhibit any false, fictitious, or misrepresented identification, intended or likely to deceive the purchaser of any scrap metal as to the actual seller of the scrap metal.
- Section 8 establishes a new gross misdemeanor offense: scrap processing, recycling or supplying without a license.
- Section 8 additionally establishes a new Class C felony offense: scrap processing, recycling or supplying without a license (second or subsequent offense).
- Section 24 ranks scrap processing, recycling or supplying without a license (second or subsequent offense) at Seriousness Level II on the adult felony sentencing grid.

EXPENDITURES

Assumptions.

None.

Impact on the Caseload Forecast Council.

This bill would require modification of the Council's adult and juvenile databases and data entry programs. These recurring costs are included in the agency's budget.

Impact on prison and jail beds.

This bill:

- Expands the definition of an existing Class B felony;
- Expands the definition of an existing Class C felony;
- Establishes two new gross misdemeanor offenses;
- Establishes a new Class C felony offense; and
- Ranks a new Class C felony offense on the adult felony sentencing grid.

Impact on prison and jail beds. (Continued.)

The Caseload Forecast Council has no information about how many more incidents of the two expanded felony offenses may occur, nor does the Caseload Forecast Council have any information about the expected incidence or the sentences that might actually be imposed for the newly established Class C felony. Additionally, the Caseload Forecast Council's adult felony sentencing database does not include sentences for any misdemeanor or gross misdemeanor offenses. Therefore, the Caseload Forecast Council cannot reliably predict bed impacts resulting from the bill. However:

- As a Class B felony offense ranked at Seriousness Level II on the adult felony sentencing grid and at Offense Category B on the juvenile offender sentencing grid, theft in the first degree is punishable by a standard range term of confinement of:
 - Between 0-90 days in local jail and 43-57 months in prison for adults; and
 - Between Local Sanctions (0-30 days in local juvenile detention) and 52-65 weeks in the Juvenile Rehabilitation Administration for juveniles.
- As a Class C felony offense ranked at Seriousness Level I on the adult felony sentencing grid and at Offense Category C on the juvenile offender sentencing grid, theft in the second degree is punishable by a standard range term of confinement of:
 - Between 0-60 days in local jail and 22-29 months in prison for adults; and
 - Between Local Sanctions (0-30 days in local juvenile detention) and 15-36 weeks in the Juvenile Rehabilitation Administration for juveniles.
- As gross misdemeanor offenses, knowingly making a false or fictitious oral or written statement to furnish or exhibit any false, fictitious, or misrepresented identification, intended or likely to deceive the purchaser of any scrap metal as to the actual seller of the scrap metal, and scrap processing, recycling or supplying without a license are punishable by a standard range term of confinement of:
 - 0-364 days in local jail for adults; and
 - Local Sanctions (0-30 days in local juvenile detention) for juveniles.
- As a Class C felony offense ranked at Seriousness Level II on the adult felony sentencing grid and carrying a presumptive rank of Offense Category C on the juvenile offender sentencing grid, scrap processing, recycling or supplying without a license (second or subsequent offense) is punishable by a standard range term of confinement of:
 - Between 0-90 days in local jail and 43-57 months in prison for adults; and
 - Between Local Sanctions (0-30 days in local juvenile detention) and 15-36 weeks in the Juvenile Rehabilitation Administration for juveniles.

Given the above, any bed impact could be on local juvenile detention beds, Juvenile Rehabilitation Administration beds, local jail beds and prison beds.

Department of Revenue Fiscal Note

| | | |
|---------------------------------|-------------------------------------|--|
| Bill Number: 1552 P S HB | Title: Metal theft reduction | Agency: 140-Department of Revenue |
|---------------------------------|-------------------------------------|--|

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

| Account | FY 2014 | FY 2015 | 2013-15 | 2015-17 | 2017-19 |
|--|---------|---------|---------|---------|---------|
| GF-STATE-State 02 - Lic., Permits & Fees 99 - Other Licenses Permi | 45,000 | 27,000 | 72,000 | 54,000 | 54,000 |
| Total \$ | 45,000 | 27,000 | 72,000 | 54,000 | 54,000 |

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

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.

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

| | | | |
|----------------------|----------------|---------------------|------------------|
| Legislative Contact: | Sarah Koster | Phone: 360-786-7303 | Date: 02/21/2013 |
| Agency Preparation: | Gerald Sayler | Phone: 360-534-1517 | Date: 02/25/2013 |
| Agency Approval: | Don Gutmann | Phone: 360-534-1510 | Date: 02/25/2013 |
| OFM Review: | Cherie Berthon | Phone: 360-902-0659 | Date: 02/25/2013 |

Request # 1552-2-1

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.

Note: This fiscal note reflects language in draft legislation PSHB 1552 (H-1635.2), 2013 Legislative Session.

This bill outlines new licensing and other legal requirements for scrap metal businesses in order to reduce metal theft in Washington. It will implement new penalties for those guilty of metal theft and increase the authority of law enforcement and state agencies to monitor transactions made by scrap metal businesses. New definitions pertaining to the scrap metal industry are included in this bill.

This bill also will create the Washington Metal Theft Prevention Authority. It will make recommendations to the Legislature and Governor regarding metal theft in the state.

This bill also authorizes the Washington association of sheriffs and police to implement and operate an ongoing electronic statewide "no-buy" list database.

This act will require all businesses that qualify as a scrap metal business to obtain a new "scrap metal license" created by this bill. Those who make more than five metal sales transactions a year will be required to obtain a scrap metal license.

If no funding is provided to establish the Washington Metal Theft Prevention Authority and the statewide no-buy list database, the sections of this act establishing this authority are null and void.

This bill has an effective date of 90 days after adjournment.

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.

ASSUMPTIONS

Approximately 3,000 taxpayers will be required to register as a scrap metal business through the Business Licensing System (BLS).

The licenses will be renewed annually.

The number of licensees will remain constant each year.

This estimate only includes the BLS license handling fees.

DATA SOURCES

Fiscal Year 2012 Department of Revenue (Department) excise tax data

REVENUE ESTIMATES

If this legislation is enacted, state revenues will increase by approximately \$72,000; \$54,000; and \$54,000 in the biennia ending in fiscal years 2015, 2017, and 2019; respectively.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2014 - \$ 45

FY 2015 - \$ 27

FY 2016 - \$ 27
FY 2017 - \$ 27
FY 2018 - \$ 27
FY 2019 - \$ 27

Local Government, if applicable (cash basis, \$000): None

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

ASSUMPTIONS:

- Expenditures assume less than 3,000 taxpayers will be affected by this proposal.
- Requires a scrap metal license. Application will be through the Business Licensing Service (BLS).
- Please note all costs will be funded through the BLS account.

INITIAL COSTS:

The Department will incur total costs of \$44,400 in Fiscal Year 2013 that are NOT included in the six year expenditure impact for this fiscal estimate. These start-up costs include:

- Labor Costs – Time and effort equates to 0.4 FTEs.
- Gather requirements and program and test system changes.

ONGOING COSTS:

There will be no ongoing cost as a result of this legislation.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

Part IV: Capital Budget Impact

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

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.

No rule-making required.

Individual State Agency Fiscal Note

| | | |
|---------------------------------|-------------------------------------|--|
| Bill Number: 1552 P S HB | Title: Metal theft reduction | Agency: 225-Washington State Patrol |
|---------------------------------|-------------------------------------|--|

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:

NONE

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.

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

| | | |
|-----------------------------------|-----------------------|------------------|
| Legislative Contact: Sarah Koster | Phone: 360-786-7303 | Date: 02/21/2013 |
| Agency Preparation: Shawn Eckhart | Phone: 360-596-4080 | Date: 02/26/2013 |
| Agency Approval: Bob Maki | Phone: (360) 596-4045 | Date: 02/26/2013 |
| OFM Review: Alyson Cummings | Phone: 360-902-0576 | Date: 02/26/2013 |

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.

PSHB 1552 addresses operating a business as a scrap metal processor, scrap metal recycler, or scrap metal supplier, including licensing and record-keeping. It creates a crime of scrap processing, recycling, or supplying without a license, and clarifies first degree and second degree theft in relation to the theft of metals. Section 7 makes it a gross misdemeanor to knowingly misrepresent one's identity to deceive the purchaser of any scrap metal. In current law (RCW 19.290.070), it is a gross misdemeanor for any scrap metal business to enter into a transaction to purchase or receive metal from anyone whom the scrap metal business was informed by law enforcement has been convicted of a list of crimes within the past ten years. Section 7 lowers that timeframe to within the past four years.

Section 17 permits law enforcement agencies, including the Washington State Patrol (WSP), to make periodic inspection of a licensee's licensed premises and records.

Section 20 establishes the Washington Metal Theft Prevention Authority, if funded. The Chief of the WSP, or the Chief's designee, is to serve as a member of this authority. Per section 32, if this is not funded by the omnibus appropriations act, this section and section 21 are null and void.

Section 22 specifies that nothing in Chapter 19.290 RCW applies to metal and metal components from vehicles owned by vehicle wreckers licensed per chapter 46.80 (vehicle wreckers), while current RCW 19.290.090 says likewise, including mentioning that transactions from hulk haulers under RCW 46.79 are also not subject to provisions in Chapter 19.290.

Section 23 allows law enforcement agencies to register at no charge with the scrap theft alert system maintained and provided by the Institute of Scrap Recycling Industries, Inc.

Section 25 addresses seizure and forfeiture of personal and real property used to facilitate the commission of, or abetting in the commission of, any crime involving theft, trafficking, or unlawful possession of commercial metal property, or acquired through the proceeds thereof.

Sections 29 through 31 address the implementation of an ongoing electronic statewide no-buy list database program to be implemented and operated by the Washington Associated of Sheriffs and Police Chiefs (WASPC) beginning on July 1, 2014, if funded. Section 30 corrects the original bill's prior association between the WSP and the no-buy list, and references it as WASPC's no-buy list. Per section 33, if not funded in the appropriation act, sections 29 through 31 are null and void.

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.

There is the potential the WSP will be involved in investigations that result in the agency coming into possession of seized and forfeited property per Section 25. We have no estimate of what the frequency and value of such acquisitions might

be. These would be deposited into the State Seizure Account.

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.

Inspections of licensed premises and records is discretionary for law enforcement, so we do not assume any expenditures related to Chapter 17. Participation in the scrap theft alert system is also discretionary, and we assume no expenditures from Chapter 23.

Heavy haulers and vehicle wreckers addressed in chapters 46.79 and 46.80 are not subject to the provisions in this legislation, and therefore the WSP's Commercial Vehicle Division is not impacted by the legislation in regard to those industries.

In Section 20, the Chief of the Washington State Patrol, or the Chief's designee, becomes a member of a newly-created Washington Metal Theft Prevention Authority. It is unknown what impact this would have to the agency. For example, the frequency and duration of Washington Metal Theft Prevention Authority meetings are not known. Therefore the impact of this section on the agency is indeterminate. The Chief's hourly rate, including benefits, is estimated at \$77.74 per hour.

It is possible that WSP will have expenditures associated with storing seized property while awaiting courts' determination on forfeiture and victims' claims, but it is unknown what types or amounts of property would be seized, so this cost is indeterminate.

For sections 29 through 31, we assume that WASPC bears full responsibility to implement and maintain the no-buy list. The WSP could have a small workload impact to configure the existing process to filter records from the Washington State Identification System (WASIS) to feed into WASPC's no-buy list.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

There is no impact to 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.

There are no rule changes required for WSP.

Individual State Agency Fiscal Note

| | | |
|---------------------------------|-------------------------------------|---|
| Bill Number: 1552 P S HB | Title: Metal theft reduction | Agency: 227-Wa St Criminal Justice Train Comm |
|---------------------------------|-------------------------------------|---|

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

Estimated Capital Budget Impact:

NONE

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: Sarah Koster | Phone: 360-786-7303 | Date: 02/21/2013 |
| Agency Preparation: Brian Elliott | Phone: 360-486-2436 | Date: 02/26/2013 |
| Agency Approval: Brian Elliott | Phone: 360-486-2436 | Date: 02/26/2013 |
| OFM Review: Alyson Cummings | Phone: 360-902-0576 | Date: 02/26/2013 |

Request # 2013-20-1

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.

Section 20(1) establishes the Washington Metal Theft Prevention Authority.

Section 20(1)(a)(i) appoints the Executive Director of the Washington Association of Sheriffs and Police Chiefs to the Washington Metal Theft Prevention Authority.

Section 21(2) states the authority shall allocate moneys appropriated from the Washington Metal Theft Prevention Authority Account to public agencies for the purpose of establishing, maintaining, and supporting programs that are designed to prevent metal theft.

Section 29(1) states beginning on July 1, 2014, the Washington Association of Sheriffs and Police Chiefs shall implement and operate an ongoing electronic statewide no-buy list database program.

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.

The Washington Association of Sheriffs and Police Chiefs (WASPC) estimates the following expenses for this bill with the assumption that \$2,000,000 per year in grants are necessary to make the program effective.

Salary and benefits for one Program Manager and one-half FTE for a program assistant are \$94,537 in fiscal year 2014 and \$97,455 in fiscal year 2015.

Contractor to develop database and annual maintenance expense are \$447,000 in fiscal year 2014 and \$121,000 in fiscal year 2015.

Equipment expenses in fiscal year 2014 are \$5,000.

Travel expenses are \$2,500 per fiscal year.

Task Force Grants total \$2,000,000 per fiscal year.

WASPC management fees (10%) are \$254,904 (\$2,549,037 x 10%) in fiscal year 2014 and \$222,096 (\$2,220,955 x 10%).

Total estimated expenses are as follows:

Fiscal year 2014 = \$2,803,941

Fiscal year 2015 = \$2,443,051

Part III: Expenditure Detail

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.

Individual State Agency Fiscal Note

| | | |
|---------------------------------|-------------------------------------|--|
| Bill Number: 1552 P S HB | Title: Metal theft reduction | Agency: 240-Department of Licensing |
|---------------------------------|-------------------------------------|--|

Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

| ACCOUNT | FY 2014 | FY 2015 | 2013-15 | 2015-17 | 2017-19 |
|---|---------|---------|---------|---------|---------|
| Business and Professions Account-State 06L-1 | 273,905 | 270,504 | 544,409 | 560,841 | 560,083 |
| Total \$ | 273,905 | 270,504 | 544,409 | 560,841 | 560,083 |

Estimated Expenditures from:

| | FY 2014 | FY 2015 | 2013-15 | 2015-17 | 2017-19 |
|---|---------|---------|---------|---------|---------|
| FTE Staff Years | 2.5 | 3.0 | 2.8 | 2.6 | 2.6 |
| Account | | | | | |
| Business and Professions Account-State 06L-1 | 309,510 | 289,008 | 598,518 | 479,997 | 478,272 |
| Total \$ | 309,510 | 289,008 | 598,518 | 479,997 | 478,272 |

Estimated Capital Budget Impact:

NONE

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: Sarah Koster | Phone: 360-786-7303 | Date: 02/21/2013 |
| Agency Preparation: Christeen Leeper | Phone: (360) 902-3781 | Date: 02/25/2013 |
| Agency Approval: Sam Knutson | Phone: (360) 902-3644 | Date: 02/25/2013 |
| OFM Review: Jim Albert | Phone: (360) 902-0419 | Date: 02/25/2013 |

Request # 1552 PS HB-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.

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 2014 | FY 2015 | 2013-15 | 2015-17 | 2017-19 |
|----------------------------|------------------|------------------|------------------|------------------|------------------|
| FTE Staff Years | 2.5 | 3.0 | 2.8 | 2.6 | 2.6 |
| A-Salaries and Wages | 152,576 | 181,953 | 334,529 | 304,589 | 304,461 |
| B-Employee Benefits | 49,243 | 59,328 | 108,571 | 100,136 | 100,088 |
| E-Goods and Other Services | 100,491 | 38,729 | 139,220 | 68,847 | 68,069 |
| G-Travel | 1,799 | 3,599 | 5,398 | 6,425 | 5,654 |
| J-Capital Outlays | 5,400 | 5,400 | 10,800 | | |
| Total: | \$309,509 | \$289,009 | \$598,518 | \$479,997 | \$478,272 |

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 2014 | FY 2015 | 2013-15 | 2015-17 | 2017-19 |
|-----------------------|----------------|------------|------------|------------|------------|------------|
| Administrative Asst 3 | 39,312 | 0.3 | 0.3 | 0.3 | 0.2 | 0.2 |
| Administrator | 81,480 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| CSS2 | 35,652 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Fiscal Tech 2 | 45,828 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Investigator 3 | 61,296 | 0.4 | 1.0 | 0.7 | 1.0 | 1.0 |
| IT Specialist 4 | 71,496 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| PLM 2 | 41,316 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 |
| Program Manager | 73,572 | 1.0 | 0.8 | 0.9 | 0.5 | 0.5 |
| Total FTE's | 449,952 | 2.5 | 3.0 | 2.8 | 2.6 | 2.6 |

III. C - Expenditures By Program (optional)

| Program | FY 2014 | FY 2015 | 2013-15 | 2015-17 | 2017-19 |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|
| Mgmt & Support Services (100) | 15,855 | 17,932 | 33,787 | 29,773 | 29,665 |
| Information Services (200) | 67,158 | 14,905 | 82,063 | 24,898 | 24,822 |
| Business and Professions (700) | 226,497 | 256,171 | 482,668 | 425,326 | 423,785 |
| Total \$ | 309,510 | 289,008 | 598,518 | 479,997 | 478,272 |

Part IV: Capital Budget Impact

NONE

Request # 1552 PSHB-1

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

This bill expands metal theft provisions and establishes a licensing and regulatory program within the Department of Licensing (DOL). It requires a person engaging in the business of a scrap metal processor, scrap metal recycler, or scrap metal supplier to obtain a scrap metal license.

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

Section 4 (8) replaces the term “recycling center” with “recycler” under the definition for a scrap metal business. Section 4 (10) changes the terminology of “scrap recycling center” to “scrap recycler”. Section 4 (13) defines “engage in business” for licensing purposes as a business conducting more than five transactions in a 12-month period.

Section 5 (3) extends the length of time that records are to be maintained for audit purposes from one year to five years following the date of transaction.

Section 6 requires that commercial account records be maintained for audit purposes for five years following the date of the purchase or receipt.

Section 7 recognizes any action by a person who intentionally deceives a purchaser as to the identity of the seller of the scrap metal is deemed a misdemeanor charge.

Section 8 makes it unlawful to engage in the scrap metal business without a license.

Section 9 establishes licensing requirements for an applicant.

Section 10 addresses issuance of a license.

Section 11 requires licensees to file a \$10,000 surety bond.

Section 12 requires annual renewal of the license.

Section 13 addresses the issuance of a special license plate.

Section 14 invokes the uniform regulation of business and professions act.

Section 15 allows the department to deny the issuance of a license under certain circumstances.

Section 16 authorizes the department to adopt rules and regulations and to set fees.

Section 17 provides law enforcement agencies (LEA) the authority to inspect licensee’s licensed premises and audit records as part of the licensing process.

Section 18 adds preemptive language to the regulation of scrap metal businesses.

Section 19 establishes the department’s subpoena authority for investigations under the licensing program.

Section 23 requires licensed scrap metal businesses to sign up with the scrap metal theft alert system.

Section 24 adds scrap processing, recycling or supplying without a license (second or subsequent offense) to the crimes listed under the Sentencing Reform act.

Section 27 adds chapter 19.290 RCW to the uniform regulation of business and professions act.

Section 28 requires receipts to be deposited to the Business and Professions account.

Section 30 requires a scrap metal business to search the WSP no-buy list before completing each transaction.

Section 33 declares section 29 through 31 to be null and void if specific funding is not provided by June 30, 2013.

The proposed substitute differs from the original bill: Adds a new section that recognizes any action by a person that intentionally provides a false identity to deceive the scrap metal business as to the actual seller of the metal as a gross misdemeanor. The other changes have no fiscal impact to DOL.

NOTE: This bill does not have an effective date, and will therefore be effective ninety days sine die. DOL proposed a licensure date of January 1, 2014 to allow time for system modifications, coordination of enforcement and audit efforts with law enforcement and the development of policies and rules.

| <u>Workload Indicator</u> | <u>FY 14</u> | <u>FY 15</u> | <u>13-15 Total</u> | <u>15-17 Total</u> | <u>17-19 Total</u> |
|----------------------------------|---------------------|---------------------|---------------------------|---------------------------|---------------------------|
| Applications, original & renewal | 275 | 450 | 725 | 1,253 | 1,465 |
| Number of Complaints Received | 50 | 100 | 150 | 175 | 150 |
| Investigations | 35 | 70 | 105 | 123 | 105 |
| Statement of Charges | 11 | 21 | 32 | 37 | 32 |
| Informal administrative actions | 25 | 49 | 74 | 86 | 74 |
| Formal administrative actions | 1 | 2 | 3 | 4 | 3 |
| Cases - Attorney General Support | 2 | 4 | 6 | 7 | 6 |

II. B – Cash Receipt Impact

For the purpose of this fiscal note, it is assumed that fees will be set in accordance with RCW 43.24.086 and at a level sufficient to cover the cost of operating the program (Section 16). Fees will be deposited in the business and professions account (Section 28). The proposed new fees for a business license for scrap metal processors and recyclers and individual licenses for scrap metal suppliers are:

| Scrap Metal Program | Proposed |
|-------------------------------|-----------------|
| Business Application, Initial | \$ 1,250.00 |
| Business Application, Renewal | \$ 625.00 |
| Supplier Application, Initial | \$ 350.00 |
| Supplier Application, Renewal | \$ 175.00 |

The department is uncertain as to how many scrap metal businesses or scrap metal suppliers are operating in the State of Washington. For purposes of this fiscal note, the number of licensees is based on an estimated total of 325 scrap metal processors and recyclers and 400 scrap metal suppliers over a four year period of time. The department proposes a licensing date of January 1, 2014 for the scrap metal business and has used this date to estimate cash receipts. The licenses will have an annual renewal cycle.

During Fiscal Year 2014, the department projects that 60 percent of the projected base total of 325 scrap metal businesses will apply for and receive a business license. An estimated 25 percent of the base total will apply in year 2, 10 percent in year 3, and 5 percent in year 4 for a total of 325 business licensees. DOL projects in year 5 and 6 that 50 percent of the previous year's number of initial licenses will apply; leveling out to four licenses each year in subsequent years. Renewals are projected at 98 percent of the prior year's initial and renewal licenses.

According to Section 8, it is unlawful for a person to engage in the scrap metal business without a license, defined as more than five transactions in a twelve-month period (Section 4). There is no mechanism to track the number of transactions conducted by a supplier in a 12-month period so this will be difficult to determine when it is an unlicensed activity. Therefore, the department anticipates a slower response to licensure from the scrap metal suppliers due to the number of transactions until enforcement efforts begin. In Fiscal Year 2014 and 2015, there will be only 20 percent of the projected base number of 400 scrap metal suppliers that will apply for a license. An estimated 25 percent in year 3 and 4 for a total of 400 scrap metal supplier licensees. Beginning in Fiscal Year 2018, it is estimated that 50 percent of the number of prior year's initial scrap metal licensees will apply each year for a license; leveling out at 40 new licensees in the following years. License renewals for scrap metal suppliers will be 98 percent in the first four years; drop to 95 percent in Fiscal Year 2019 and level out at 90 percent in subsequent years at an average of 40 new licensees.

| New Scrap Metal Licenses | FY 14 | FY 15 | FY 16 | FY 17 | FY 18 | FY 19 | FY 20 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Business, Initial | 195 | 81 | 33 | 16 | 8 | 4 | 4 |
| Business, Renewal | 0 | 191 | 267 | 294 | 304 | 306 | 304 |
| Individual, Initial | 80 | 100 | 100 | 100 | 50 | 40 | 40 |
| Individual, Renewal | 0 | 78 | 174 | 269 | 362 | 391 | 388 |
| Scrap Metal Special Plates | FY 14 | FY 15 | FY 16 | FY 17 | FY 18 | FY 19 | FY 20 |
| Original Plate | 275 | 181 | 133 | 116 | 58 | 44 | 44 |
| Additional Plate | 390 | 162 | 66 | 32 | 16 | 8 | 8 |

| Revenue Impact | FY 14 | FY 15 | FY 16 | FY 17 | FY 18 | FY 19 | FY 20 |
|-----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Business, Initial | \$ 243,750 | \$ 101,250 | \$ 41,250 | \$ 20,000 | \$ 10,000 | \$ 5,000 | \$ 5,000 |
| Business, Renewal | \$ - | \$ 119,375 | \$ 166,875 | \$ 183,750 | \$ 190,000 | \$ 191,250 | \$ 190,000 |
| Individual, Initial | \$ 28,000 | \$ 35,000 | \$ 35,000 | \$ 35,000 | \$ 17,500 | \$ 14,000 | \$ 14,000 |
| Individual, Renewal | \$ - | \$ 13,650 | \$ 30,450 | \$ 47,075 | \$ 63,350 | \$ 68,425 | \$ 67,900 |
| Original Plate | \$ 1,375 | \$ 905 | \$ 665 | \$ 580 | \$ 290 | \$ 220 | \$ 220 |
| Additional Plate | \$ 780 | \$ 324 | \$ 132 | \$ 64 | \$ 32 | \$ 16 | \$ 16 |
| TOTAL REVENUE | \$ 273,905 | \$ 270,504 | \$ 274,372 | \$ 286,469 | \$ 281,172 | \$ 278,911 | \$ 277,136 |

The department assumes that the revenue received from the special license plate fees will be deposited in the business and professions account to be used to recover the expenses associated with producing the plates. Each licensee is required to purchase a special set of license plates in addition to the regular licenses and plates required for vehicles used to conduct the business. DOL estimated that each new business and supplier will purchase one special license plate at a cost of \$5.00 for the original plate. It is anticipated that an average of two additional plates will be purchased for each business at a cost of \$2.00 for each plate (Section 13).

| Cash Receipts | FY 14 | FY 15 | 13-15 Total | 15-17 Total | 17-19 Total |
|-----------------------|----------------|----------------|--------------------|--------------------|--------------------|
| Business & Profession | 273,905 | 270,504 | 544,409 | 560,841 | 560,083 |
| Total Revenue | 273,905 | 270,504 | 544,409 | 560,841 | 560,083 |

The cost associated with the implementation of this legislation is projected to be recouped in Fiscal Year 2017. Section 16 allows the department to set fees by rule.

| Scrap Metal Program | FY 14 | FY 15 | FY 16 | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Beg Fund Balance | - | | | | | | | |
| Beg Balance | - | (35,604) | (54,109) | (20,267) | 26,735 | 68,728 | 108,460 | 146,417 |
| Revenue | 273,905 | 270,504 | 274,372 | 286,469 | 281,172 | 278,911 | 277,136 | 275,361 |
| Expenditures | 309,509 | 289,008 | 240,530 | 239,467 | 239,179 | 239,179 | 239,179 | 239,179 |
| End Balance | (35,604) | (54,109) | (20,267) | 26,735 | 68,728 | 108,460 | 146,417 | 182,599 |

II. C – Expenditures

The bill adds a new licensing and regulatory program within the Department of Licensing (DOL). The bill is effective sine die. The department proposes a date of January 1, 2014 for issuance of licenses. The work to implement this legislation will commence immediately. Staff will be needed at different stages during the implementation and maintenance of the program. Work includes establishing policies and developing rules; coordinating efforts with the Department of Revenue (DOR) about licensing and renewal requirements; system; providing outreach to law enforcement agencies and stakeholders; and issuing licenses for scrap metal processor and recycler businesses, and scrap metal suppliers; and regulating the new scrap metal program.

Staffing Assumptions:

A Program Manager position is needed at 1.0 FTE in FY 2014 and 0.8 FTE in 2015 during implementation of the program to develop procedures and rules, administer the new program and coordinate efforts with WSP and LEA; oversee the administrative actions process, and will decrease to 0.5 FTE in ensuing years (Sections 4-19, 23, 27-30). An Administrative Assistant 3 will be needed at 0.3 FTE in Fiscal Year 2014 and Fiscal Year 2015 to prepare outreach, meeting and training materials; track compliance and reconcile records in the dealer's regulatory system; and perform other administrative tasks; and will decrease to 0.2 FTE in the ensuing years.

A Customer Service Specialist 2 position will begin in January 2014 and is needed at 0.3 FTE to process applications, track complaints, provide customer service, maintain licensing and reconcile records with the business licensing system at the Department of Revenue.

The department assumes that law enforcement will conduct the field enforcements and audits and forward cases to DOL for charging (Section 17). This business practice would be similar to what is currently being used for tow truck (46.55 RCW) and wreckers (46.80 RCW) for inspections and audits.

The Investigator 3 position will investigate complaints for noncompliance and unlicensed activities (Sections 5-8, 10-15, 23, 27, 30). The workload will involve the gathering of evidence and compiling a report for possible administrative action. This position is needed January 1, 2014 at 0.4 FTE and 1.0 FTE in subsequent years. An Investigator 3 is estimated to be able to close 60 investigations annually. It is expected that about 20 percent of the investigation will involve travel. The estimated cost is \$1,800 in Fiscal Year 2014; \$3,600 in Fiscal Years 2015 and 2016; and \$2,800 in the following years.

One Professional Licensing Manager 2 is needed at 0.2 FTE in FY 2014 to review completed investigations and develop statement of charges (SOC) for administrative actions (Sections 7-9 and 14-15). This position will increase to 0.5 FTE in ensuing years.

An Administrator is needed at 0.1 FTE for increased administrative responsibilities related to a regulatory program.

Other costs:

As required in Section 12, each licensee is required to obtain a special set of license plates, in addition to any regular licenses and plates required, for vehicles used to conduct the business. DOL will order plates from the Department of Correction (DOC) and there will be ongoing costs associated with purchase of the plates and postage to mail plates. The initial cost is estimated at \$4,750 in the 2013-2015 Biennium and is contingent upon the number of new special license plates ordered from DOC.

Legal costs for assistant attorney general support for the purpose of rule making (Section 16) and general advice is estimated at \$20,000 in Fiscal Year 2014 and \$12,000 in Fiscal Year 2015 and thereafter.

The bill adds a new licensing program to the department will require a modification to the existing DOL computer infrastructure (Section 8). The work will involve programming of the Dealers Regulatory System for the new profession/license and adding the profession to the letters and reporting tool; in addition to setting up a new scrap metal license account in the department's revenue system. One-time costs for contract programming to develop, program and test changes to system and database is estimated to be a two-month project that will be accomplished at a cost of \$49,677. In addition, a ten percent project contingency is added of \$4,958 for a total cost of \$54,645.

In addition to the cost of salary and benefits, other costs have been added which include facility rent/lease and utility costs, telephone equipment and line charges, desktop support, employee training and other standard goods and services associated with adding new staff.

Agency support services functions are estimated at a 0.2 FTE (indirect) for a fiscal technician and 0.1 FTE (indirect) for an Information Technology Specialist 4. Such indirect support services provided include the

handling and processing of vendor payments; technical assistance to employees; desk-top support; contract administration; handling of mail; personnel and payroll related tasks.

Part III: Expenditure Detail

III. A – Expenditures by Object or Purpose

| | FY 14 | FY 15 | 13-15 Total | 15-17 Total | 17-19 Total |
|--------------------|----------------|----------------|----------------|----------------|----------------|
| FTE Staff Years | 2.5 | 3.0 | 2.8 | 2.6 | 2.6 |
| Salaries and Wages | 152,576 | 181,953 | 334,529 | 304,589 | 304,461 |
| Employee Benefits | 49,243 | 59,328 | 108,572 | 100,136 | 100,088 |
| Goods and Services | 100,491 | 38,729 | 139,220 | 68,847 | 68,069 |
| Travel | 1,799 | 3,598 | 5,397 | 6,425 | 5,654 |
| Equipment | 5,400 | 5,400 | 10,800 | | |
| TOTAL | 309,509 | 289,008 | 598,518 | 479,997 | 478,272 |

III. A (1) – Detail of Expenditures by Sub-Object for Goods & Services

| Object E Breakdown: | FY 14 | FY 15 | 13-15 Total | 15-17 Total | 17-19 Total |
|--------------------------------|----------------|---------------|----------------|---------------|---------------|
| EA Plates & Tabs | 822 | 424 | 1,246 | 429 | 155 |
| EA Office Supplies | 1,650 | 2,025 | 3,675 | 3,450 | 3,450 |
| EB Postage | 1,490 | 768 | 2,258 | 778 | 282 |
| EB Phone/Install/Usage | 3,690 | 1,080 | 4,770 | 2,160 | 2,160 |
| ED Facility/Lease Costs | 13,163 | 16,154 | 29,317 | 27,522 | 27,522 |
| EG Training | 1,170 | 1,436 | 2,606 | 2,448 | 2,448 |
| EH Rentals, Leases (incl. IT I | 467 | 934 | 1,401 | 1,868 | 1,868 |
| EL Interagency DP Svcs | 766 | 940 | 1,706 | 1,600 | 1,600 |
| EM Attorney Gen Svcs/Costs | 20,092 | 12,104 | 32,196 | 24,208 | 24,208 |
| EN Personnel Services | 930 | 1,113 | 2,043 | 1,862 | 1,862 |
| EY Software Maintenance | 280 | 280 | 560 | | |
| EZ Other Goods & Svcs | 1,326 | 1,471 | 2,797 | 2,522 | 2,514 |
| Total Goods & Svcs | 100,491 | 38,729 | 139,220 | 68,847 | 68,069 |

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

EXPENDITURE DETAIL – STAFF

| Job Classification | Salary | FY 14 | FY 15 | 13-15 Total | 15-17 Total | 17-19 Total |
|-----------------------|--------|------------|------------|-------------|-------------|-------------|
| Program Manager | 73,572 | 1.0 | 0.8 | 0.9 | 0.5 | 0.5 |
| Administrative Asst 3 | 39,312 | 0.3 | 0.3 | 0.3 | 0.2 | 0.2 |
| CSS2 | 35,652 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| PLM 2 | 41,316 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 |
| Investigator 3 | 61,296 | 0.4 | 1.0 | 0.7 | 1.0 | 1.0 |
| Administrator | 81,480 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Fiscal Tech 2 | 45,828 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| IT Specialist 4 | 71,496 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Total FTEs | | 2.5 | 3.0 | 2.8 | 2.6 | 2.6 |

III. B – Expenditures by Program (optional)

| Program | FY 14 | FY 15 | 13-15 Total | 15-17 Total | 17-19 Total |
|-------------------------------|---------|---------|-------------|-------------|-------------|
| 100 - Mgmt & Support Services | 15,855 | 17,932 | 33,787 | 29,773 | 29,665 |
| 200 - Information Services | 67,158 | 14,905 | 82,063 | 24,898 | 24,822 |
| 700 - Business & Professions | 226,497 | 256,171 | 482,668 | 425,326 | 423,785 |
| <i>Total</i> | 309,510 | 289,008 | 598,518 | 479,997 | 478,272 |

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

Rule making is needed to set fees and establish licensure standards for the scrap metal program.

Individual State Agency Fiscal Note

| | | |
|---------------------------------|-------------------------------------|--|
| Bill Number: 1552 P S HB | Title: Metal theft reduction | Agency: 310-Department of Corrections |
|---------------------------------|-------------------------------------|--|

Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

| ACCOUNT | FY 2014 | FY 2015 | 2013-15 | 2015-17 | 2017-19 |
|--|---------|---------|---------|---------|---------|
| Correctional Industries Account-State 401-1 | 1,162 | 647 | 1,809 | 736 | 282 |
| Total \$ | 1,162 | 647 | 1,809 | 736 | 282 |

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

Estimated Capital Budget Impact:

NONE

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: Sarah Koster | Phone: 360-786-7303 | Date: 02/21/2013 |
| Agency Preparation: Jim Orkney | Phone: (360)725-8266 | Date: 02/26/2013 |
| Agency Approval: Sarian Scott | Phone: (360) 725-8270 | Date: 02/26/2013 |
| OFM Review: Kate Davis | Phone: (360) 902-0570 | Date: 02/26/2013 |

Request # 099-1

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.

Section 1(1) amends RCW 9A.48.100 to add “and the cost to repair any physical damage” to the definition of “Physical Damage”.

Section 2(d) amends RCW 9A.56.030 strikes the definition of metal as defined in RCW 80.04.010 for theft in the first degree and defines “Commercial” metal as property, nonferrous metal property, or private metal property, as those terms are defined in RCW 19.290.010 and changes “public service company’s or consumer owned utility’s” to “owner’s” property.

Section 3(1)(c) amends RCW 9A.56.040 to alter the definition for theft in the second degree as Section 2 did for theft in the first degree.

Section 4(8),(10) and (11) amend RCW 19.290.010 change the term “scrap metal recycling center” to “scrap metal recycler”.

Section 4(13) adds the definition of “Engage in business” to mean conducting more than five (5) transactions in a 12-month period.

Section 4(14) adds the definition of “Person” to mean an individual, domestic or foreign corporation, limited liability corporation, partnership, trust, unincorporated association or other entity; an affiliate or associate of any such person; or any two (2) or more persons acting as a partnership, syndicate, or other group for the purpose of acquiring, holding, or dispersing of securities of a domestic or foreign corporation.

Section 5(3) amends RCW 19.290.020 to extend the period that records must be maintained by business from one (1) year to five (5) years.

Section 6(2) amends RCW 19.290.040 to add that records maintained by a scrap metal business must be maintained for five (5) years following the date of the purchase or receipt.

Section 7(9) amends RCW 19.290.070 stating it is a gross misdemeanor under RCW 9A.20 for any person to knowingly make a false or fictitious oral or written statement to furnish or exhibit and false, fictitious, or misrepresented identification, intended or likely to deceive the purchaser of any scrap metal as to the actual seller of the scrap metal.

Section 8 is a new section added to RCW 19.290.

Section 8(1) provides it is unlawful for a person to engage in the business of a scrap metal processor, scrap metal recycler, or scrap metal supplier without first having applied for and received a scrap metal license.

Section 8(2)(a) provides that except as provided in section (b) of this subsection, a person or firm engaged in the unlawful activity described in this section is guilty of a gross misdemeanor.

Section 8(2)(b) provides that a second or subsequent offense is a class C felony.

Section 9 is a new section added to RCW 19.290 stating that an application for a scrap metal license or renewal of a scrap metal license shall be made on a form furnished by the Department of Licensing (DOL), shall be signed by the license holder or his or her authorized agent and provides the required information to be included.

Section 10 is a new section added to RCW 19.290 to require the application and required fee to be sent to the DOL and authorizes the DOL to issue the scrap metal license and forward the application fees to the state treasurer.

Section 11 is a new section added to RCW 19.290 to require the applicant for a scrap metal license to file a surety bond in the amount of \$10,000 running to the state of Washington and executed by a surety company authorized to do business in the state of Washington.

Section 12 is a new section added to RCW 19.290 stating that a license issued on the scrap metal license application remains in force until suspended or revoked and may be renewed annually upon reapplication and upon payment of the required fee.

Section 13 is a new section added to RCW 19.290 requiring special license plates and provides the required fees to be paid.

Section 14 is a new section added to RCW 19.290 stating that the uniform regulation of business and professions act, RCW 18.235, governs unlicensed practice, the issuance and denial of licenses, and the discipline of licensees under this chapter.

Section 15 is a new section added to RCW 19.290 authorizing the DOL to deny a license for due cause.

Section 16 is a new section added to RCW 19.290 authorizing the director of DOL to adopt reasonable rules and regulations for the proper operation and enforcement of this chapter and to set all license and renewal fees.

Section 17 is a new section added to RCW 19.290 authorizing the chiefs of police, county sheriffs and the Washington State Patrol to inspect licensee's licensed premises and records.

Section 18 is a new section added to RCW 19.290 to read that the state of Washington fully occupies and preempts the entire field of regulation of scrap metal processors, recyclers, or supplier within the boundaries of the state.

Section 19 is a new section added to RCW 19.290 authorizing the DOL or its authorized agent to examine or subpoena and persons, books, papers, records, data, vehicles, or metal property bearing upon the investigation or proceeding under this chapter.

Section 20 is a new section added to RCW 19.290 establishes the metal theft prevention authority, lists the positions appointed by the governor and provides guidelines for the authority's operations and reporting.

Section 21 is a new section added to RCW 19.290 states the Washington metal theft prevention authority account is

created in the state treasury subject to appropriation. All receipts supporting the activities of the metal theft authority must be deposited in the account. All expenditures from the account must be used only for activities relating to metal theft.

Section 22 is a new section added to RCW 19.290 states that nothing in this chapter shall apply to metal or metal components from vehicles owned by vehicle wreckers licensed pursuant to RCW 46.80.

Section 23 is a new section added to RCW 19.290 to allow any law enforcement agency or business licensed under this chapter to register with the scrap theft alert system that is maintained and provided at no charge to users by the institute of scrap recycling industries, or its successor organization to receive alerts regarding thefts of private, nonferrous, or commercial metal property in the relevant geographic area and to use these alerts to identify potentially stolen commercial metal property, nonferrous metal property, and private metal property.

Section 24 RCW 9.9A.515 is reenacted and amended to add “Scrap Processing, Recycling, or Supplying Without a License (second or subsequent offense) (section 8 of this act)” to Table 2 Crimes Included Within Each Seriousness Level.

Section 25 is a new section added to RCW 19.290 and states the conditions under which personal or real property may be seized and forfeited for any violation of RCW 19.290.070. It also states conditions under which the owner of seized property may appeal the seizure.

Section 26 is a new section added to RCW 19.290 to be construed to the end that traffic in stolen scrap metal property may be prevented and irresponsible, unreliable, or dishonest persons may be prevented from engaging in the scrap metal business.

Section 27(1)(xvi) amends RCW 18.235.020 to add “scrap metal processors, recyclers, and scrap metal suppliers under chapter 19.290 RCW” to the list of businesses and professions licensed under the authorization of the director of DOL.

Section 28(1)(r) amends RCW 43.24.150 to add scrap metal businesses to the list of businesses whose receipts must be deposited in the business and professions account in the state treasury.

Section 29 is added to RCW 43.43 and states that beginning July 1, 2014, when funded, the Washington association of sheriffs and police chiefs shall implement and operate an ongoing electronic statewide no-buy list database program and provides guidelines for the program.

Section 30 is a new section added to RCW 19.290 to require a scrap metal business to determine whether a customer is listed in the Washington state patrol’s no-buy list database before completing any transaction.

Section 31 is a new section added to RCW 43.43 stating the Washington state association of sheriffs and police chiefs shall not be held liable for civil damages resulting from any act or omission in carrying out the requirement of section 29 of this act other than an act or omission constituting gross negligence or willful or wanton misconduct.

Section 32 is a new section added to RCW 43.43 stating if specific funding for sections 20 and 21 of this act is not

provided by June 30, 2013 in the omnibus appropriations act, sections 20 and 21 are null and void.

Section 33 is a new section added to RCW 43.43 stating if specific funding for sections 29 through 31 of this act is not provided by June 30, 2013 in the omnibus appropriations act, sections 29 through 31 are null and void.

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.

There are cash receipt impacts to the Correctional Industries revolving fund (account 401).

The Department of Corrections (DOC) Correctional Industry (CI) produces license plates for DOL and as a result of this bill will have an increase in production. The cost to DOL per license plate is the cash receipt impact. The cost per original license plate is \$2.471 and \$1.236 for each additional plate. Given the estimated quantities needed based on this bill, the cash receipt impact by Fiscal Year (FY) decreases over time from \$1,162 in FY14 to \$119 in FY20.

License plates are manufactured by offenders who are paid \$0.98 / hour for this line of business.

DOL estimates the number of scrap metal vehicle license plates purchased from Correctional Industries (CI) as follows:

| Original Plates | Additional Plates |
|-----------------|-------------------|
| FY14 275 | 390 |
| FY15 181 | 162 |
| FY16 133 | 66 |
| FY17 116 | 32 |
| FY18 58 | 16 |
| FY19 44 | 8 |
| FY20 44 | 8 |

The estimated cost for CI to produce license plates is \$2.346 per original plate and \$1.174 for each additional plate. Based on the number of plates estimated to be purchased, the projected revenue generated to CI is:

| Original Plates | Additional Plates |
|-----------------|-------------------|
| FY14 \$679.53 | \$482.04 |
| FY15 \$447.25 | \$200.23 |
| FY16 \$328.64 | \$ 81.58 |
| FY17 \$286.64 | \$ 39.55 |
| FY18 \$143.32 | \$ 19.78 |
| FY19 \$108.72 | \$ 9.89 |
| FY 20 \$108.72 | \$ 9.89 |

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.

This bill expands the definition of theft in the first degree (Class B felony) and second degree (Class C felony), establishes two (2) new gross misdemeanor offenses, establishes a new Class C felony offense for scrap processing, recycling or supplying without a license (second or subsequent offense) and ranks this new Class C felony at Seriousness Level II on the adult felony sentencing grid.

The Caseload Forecast Council (CFC) has no information about how this bill will impact Prisons ADP. As such, the CFC cannot reliably estimate bed impacts.

The Department of Corrections (DOC) assumes this bill would likely result in an average daily population (ADP) increase of less than four (4), although impact cannot be estimated. Consequently, while the fiscal impact is indeterminate, DOC assumes the impact will be less than \$50,000 per Fiscal Year (FY) [$\$12,057 \times 4 \text{ ADP} = \$48,228/\text{FY}$].

Assumptions:

1. Our ADP Impact is based on the CFC forecast detail provided to DOC.
2. Per CFC, the bed impacts resulting from this bill cannot be reliably predicted.
3. We assume an Average Unit Cost of \$12,057 per offender per Fiscal Year to facilitate discussion during legislative session. This cost estimate includes prison custody staffing, prison direct variable costs, health services direct variable costs and prison non-custody essential staffing. It does not include staffing or dollars for Administrative Services Division or Health Services Division.

License Plate cost impact:

License plates are manufactured by offenders who are paid \$0.98/hour for this line of business. Given the increase in license plate production, we will have costs associated with offender pay, and raw materials. Increasing license plate production may also lead to a reduction of costs for raw materials due to economies of scale.

Assumptions:

1. DOL will purchase license plates from DOC CI.
2. The cost to DOL per license plate is \$2.471 for each original plate and \$1.236 for each additional plate.
3. DOL estimated license plate purchases by FY follows:

| | Original Plates | Additional Plates |
|-------|-----------------|-------------------|
| FY14 | \$645.15 | \$457.86 |
| FY15 | \$424.63 | \$190.19 |
| FY16 | \$312.02 | \$ 77.48 |
| FY17 | \$272.14 | \$ 37.57 |
| FY18 | \$136.07 | \$ 18.78 |
| FY19 | \$103.22 | \$ 9.39 |
| FY 20 | \$103.22 | \$ 9.39 |

4. The hourly offender wage is \$0.98.
5. Increased production of license plates affords additional offender jobs. Offender jobs reduce idleness and provide

offenders with much needed job skills.

Part III: Expenditure Detail

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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

| | |
|---------------------------------|-------------------------------------|
| Bill Number: 1552 P S HB | Title: Metal theft reduction |
|---------------------------------|-------------------------------------|

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☒ Cities: Indeterminate costs for law enforcement, prosecution, and defense; potential costs for local jurisdictions to repeal ordinances related to scrap metal; potential revenue from allocations from the Washington Metal Theft Prevention Account
- ☒ Counties: Same as above
- ☐ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☒ Key variables cannot be estimated with certainty at this time: Number of charges filed under the bill; amount of revenue generated by the Washington Metal Theft Prevention Account

Estimated revenue impacts to:

| |
|----------------------|
| Indeterminate Impact |
|----------------------|

Estimated expenditure impacts to:

| |
|----------------------|
| Indeterminate Impact |
|----------------------|

Part III: Preparation and Approval

| | | |
|--------------------------------------|-----------------------|------------------|
| Fiscal Note Analyst: Alice Zillah | Phone: 360-725-5035 | Date: 02/28/2013 |
| Leg. Committee Contact: Sarah Koster | Phone: 360-786-7303 | Date: 02/21/2013 |
| Agency Approval: Steve Salmi | Phone: (360) 725 5034 | Date: 02/28/2013 |
| OFM Review: Jim Albert | Phone: (360) 902-0419 | Date: 02/28/2013 |

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

DIFFERENCES BETWEEN THIS BILL AND PREVIOUS VERSION OF THE BILL:

The changes made in the substitute version of the bill do not change the revenue and expenditure impacts discussed below.

SUMMARY OF THE BILL:

The following sections impact local government:

Sec. 2 amends RCW 9A.56.030. A person is guilty of theft in the first degree, a class B felony, if he or she commits theft of commercial metal property and the costs of the damage exceed \$5,000.

Sec. 3 amends RCW 9A.56.040. A person is guilty of theft in the second degree, a class C felony, if he or she commits theft of commercial metal property and the costs of the damage are between \$750 and \$5,000.

Sec. 7 amends RCW 19.290.070. It is a gross misdemeanor for any person to knowingly make a false or fictitious oral or written statement to furnish or exhibit any false, fictitious, or misrepresented identification, intended or likely to deceive the purchaser of any scrap metal as to the actual seller of the scrap metal.

Sec. 8 amends RCW 19.290. It is unlawful for a person to engage in the business of a scrap metal processor, scrap metal recycler, or scrap metal supplier without having first applied for and received a scrap metal license. A person or firm engaged in the unlawful activity described in this section is guilty of a gross misdemeanor. A second or subsequent offense is a class C felony.

Sec. 9 adds a new section to chapter 19.290 RCW. An application for a scrap metal license shall include a certificate of approval of the chief of police or, in any unincorporated area, the sheriff certifying that the applicant has an established place of business at the address shown on the application; and in the case of a renewal of a scrap metal license, the applicant is in compliance with this chapter.

Sec. 17 adds a new section to chapter 19.290 RCW. The chiefs of police, the county sheriffs, and the Washington State Patrol may make periodic inspection of the licensee's licensed premises and records, and furnish a certificate of inspection to the Department of Licensing in such manner as may be determined by the department. In any instance, an authorized representative of the department may make the inspection. Licensees are subject to unannounced periodic inspections, as described in this section.

Sec. 18 adds a new section to chapter 19.290 RCW. The state of Washington hereby fully occupies and preempts the entire field of regulation of scrap metal processors, recyclers, or suppliers within the boundaries of the state. Any political subdivision in this state may enact or enforce only those laws and ordinances relating to the regulation of scrap metal processors, recyclers, or suppliers that are specifically authorized by state law and are consistent with this chapter. Local ordinances shall have the same or lesser penalty as provided for by state law. Local laws and ordinances that are inconsistent with, more restrictive than, or exceed the requirements of state law shall not be enacted and are hereby preempted and repealed, regardless of the code, charter, or home rule status of such political subdivision.

Sec. 20 adds a new section to 19.290 RCW. The Washington metal theft prevention authority is established, and its members shall include the executive director of WASPC, or the executive director's designee; two police chiefs; two sheriffs; and one prosecuting attorney. Members of the Washington metal theft prevention authority who are not public employees shall be compensated in accordance with RCW 43.03.250 and shall be reimbursed for travel expenses incurred in carrying out the duties of the authority in accordance with RCW 43.03.050 and 43.03.060.

Sec. 21 adds a new section to 19.290 RCW. The Washington metal theft prevention authority account is created, and shall allocate moneys appropriated from the account to public agencies for the purpose of establishing, maintaining, and supporting programs that are designed to prevent metal theft. The costs of administration shall not exceed ten percent of the moneys in the account in any one year so that the greatest possible portion of the moneys available to the authority is expended on combating metal theft.

Sec. 23 adds a new section to chapter 19.290 RCW. Law enforcement agencies may register with the scrap theft alert system that is maintained and provided at no charge to users by the institute of scrap recycling industries, incorporated, or its successor organization, to receive alerts regarding thefts of private, nonferrous, or commercial metal property in the relevant geographic area.

Sec. 24 amends RCW 9.94A.515 to add Scrap Processing, Recycling, or Supplying Without a License (second or subsequent offense) to the seriousness level chart. It is ranked level II.

Sec. 26 add a new section to chapter 19.290 RCW concerning seizure and forfeiture by law enforcement agencies.

Section 29 adds a new section to RCW 43.43. Beginning on July 1, 2014, WASPC shall implement and operate an ongoing electronic statewide no-buy list database program.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

This legislation would expand the definitions of existing class B and class C felonies, and create a new gross misdemeanor offense and a new felony. As such, more investigations by law enforcement and charges are likely under the bill. This would result in expenditures for county sheriff departments and city police agencies, as well as costs for prosecutors and court-appointed defense attorneys. No data is available to estimate the number of increased investigations and charges under the bill.

Theft in the first degree is punishable by a range of confinement, from zero to 90 days in jail and 43 to 57 months in prison. Theft in the second degree carries a penalty of between zero and 90 days in jail and 43 to 57 months in prison. The new gross misdemeanor charge carries a penalty of between zero and 364 days in jail. The felony charge of scrap processing, recycling or supplying without a license has a penalty of between zero and 90 days in jail and 43 to 57 months in prison. Sentences of less than one year are generally served in county jails, at an average cost of \$80 per day per offender, according to the Local Government Fiscal Note Program (LGFN) survey of county jails. County jails would therefore see higher costs under the bill, but the impact is indeterminate.

The bill would allow chiefs of police and the county sheriffs to make periodic inspection of the licensee's licensed premises and records. According to the Washington Association of Sheriffs and Police Chiefs (WASPC), as a local option, this aspect of the bill would not result in additional costs for local law enforcement.

Sec. 18 directs that local laws and ordinances that are inconsistent with state law shall be preempted and repealed. According to the LGFN unit cost data, the average costs for a jurisdiction to pass an ordinance range from \$352 for a simple ordinance to \$3,689 for a complex ordinance. LGFN assumes that jurisdictions which currently have statutes addressing metal scrap processors, recyclers, or suppliers would face similar costs to revisit their regulations and determine whether they were inconsistent with state law. The number of jurisdictions that have these statutes currently is not known.

Sec. 20 creates the Washington Metal Theft Prevention Authority, with a membership that includes two police chiefs, two sheriffs, and one prosecuting attorney. The bill specifies that members of the authority who are not public employees shall be compensated for their time and travel, and therefore LGFN assumes that the local government members would not be compensated. As such, these five members and the jurisdictions they represent would see costs associated with their time and travel when attending meetings and other functions of the authority. Because the location and frequency of these meetings is not known, it is not possible to estimate the costs.

Sec. 26 add a new section to chapter 19.290 RCW concerning seizure and forfeiture by law enforcement agencies. According to WASPC, this would not result in additional costs for law enforcement agencies.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

The legislation would have indeterminate revenue impact for local government. The bill would create the Washington Metal Theft Prevention Authority account at the Office of the State Treasurer (OST). The OST will allocate moneys from the account to public agencies, including prosecution agencies, and units of local government or a team consisting of units of local governments. No information was available to estimate the amount of money that the account would collect and disperse, nor the frequency by which amounts would be allocated to local government.

SOURCES:

Washington Association of Sheriffs and Police Chiefs
Caseload Forecast Council
Office of the State Treasurer
Department of Licensing