

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1552 E S HB AMS LAW S2323.3	<b>Title:</b> Scrap metal theft reduction
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## 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
<b>Total \$</b>	<b>72,000</b>	<b>616,409</b>	<b>54,000</b>	<b>614,841</b>	<b>54,000</b>	<b>614,083</b>

## 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	.2	0	44,000	.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	Fiscal note not available								
<b>Total</b>	<b>3.0</b>	<b>\$0</b>	<b>\$642,518</b>	<b>2.6</b>	<b>\$0</b>	<b>\$479,997</b>	<b>2.6</b>	<b>\$0</b>	<b>\$478,272</b>

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

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.

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

\*\* See local government fiscal note

FNPID 35523

FNS029 Multi Agency rollup

<b>Prepared by:</b> Jim Albert, OFM	<b>Phone:</b> (360) 902-0419	<b>Date Published:</b> Preliminary 4/ 9/2013
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\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

FNPID 35523

FNS029 Multi Agency rollup

# Judicial Impact Fiscal Note

<b>Bill Number:</b> 1552 E S HB AMS LAW S2323.3	<b>Title:</b> Scrap metal theft reduction	<b>Agency:</b> 055-Admin Office of the Courts
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

Account	FY 2014	FY 2015	2013-15	2015-17	2017-19
Counties					
Cities					
<b>Total \$</b>					

### Estimated Expenditures from:

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

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 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.

Contact	Phone:	Date: 04/03/2013
Agency Preparation: David Elliott	Phone: 360-705-5229	Date: 04/04/2013
Agency Approval: Dirk Marler	Phone: 360-705-5211	Date: 04/04/2013
OFM Review: David Dula	Phone: (360) 902-0547	Date: 04/04/2013

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.56.030 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.56.040 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 10 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 12 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 23 allows the Director of the Department of Licensing (DOL) to petition a superior court for an order to appear before the director.

Section 26 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 12 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 23. 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

<b>Bill Number:</b> 1552 E S HB AMS LAW S2323.3	<b>Title:</b> Scrap metal theft reduction	<b>Agency:</b> 090-Office of State Treasurer
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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:

NONE

### Estimated Capital Budget Impact:

NONE

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: 04/03/2013
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 04/04/2013
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 04/04/2013
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 04/04/2013

Request # 104-1

## 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.*

ESHB 1552 AMS LAW S2323.3 fees under section 14 are deposited into the business and professions account as directed under section 30. 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 March 2013 revenue forecast that approximately \$1,600 in FY 14, \$1,600 in FY 15, \$2,800 in FY 16, and \$15,700 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.*

ESHB 1552 AMS LAW S2323.3 fees under section 14 are deposited into the business and professions account as directed under section 30. 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

<b>Bill Number:</b> 1552 E S HB AMS LAW S2323.3	<b>Title:</b> Scrap metal theft reduction	<b>Agency:</b> 101-Caseload Forecast Council
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## Part I: Estimates



No Fiscal Impact

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: 04/03/2013
Agency Preparation: Ed Vukich	Phone: 360-664-9374	Date: 04/08/2013
Agency Approval: John Steiger	Phone: 360-664-9370	Date: 04/08/2013
OFM Review: Cherie Berthon	Phone: 360-902-0659	Date: 04/08/2013

Request # 13-071-1



## 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.

# **ESHB 1552 AMS LAW S2323.3**

## **THE REDUCTION OF METAL THEFT**

### **101 – Caseload Forecast Council**

#### **April 8**

### **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 10 establishes a new gross misdemeanor offense for knowingly making a false or fictitious oral or written statement or to furnish or exhibit any false, fictitious, or misrepresented identification, with the intent to deceive a scrap metal business as to the actual seller of the scrap metal.
- Section 12 establishes a new gross misdemeanor offense: scrap processing, recycling or supplying without a license.
- Section 12 additionally establishes a new Class C felony offense: scrap processing, recycling or supplying without a license (second or subsequent offense).
- Section 26 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 or to furnish or exhibit any false, fictitious, or misrepresented identification, with the intent to deceive a scrap metal business 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

<b>Bill Number:</b> 1552 E S HB AMS LAW S2323.3	<b>Title:</b> Scrap metal theft reduction	<b>Agency:</b> 140-Department of Revenue
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## 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
<b>Total \$</b>	45,000	27,000	72,000	54,000	54,000

### Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.4		0.2		
<b>Account</b>					
Master License Account-State 03N-1	44,000		44,000		
<b>Total \$</b>	44,000		44,000		

### Estimated Capital Budget Impact:

NONE

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.

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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: 04/03/2013
Agency Preparation: Gerald Saylor	Phone: 360-534-1517	Date: 04/09/2013
Agency Approval: Don Gutmann	Phone: 360-534-1510	Date: 04/09/2013
OFM Review: Cherie Berthon	Phone: 360-902-0659	Date: 04/09/2013

Request # 1552-4-1

## 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 Senate amendment AMS LAW S2323.3 to ESHB 1552, 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.

Section 24 creates a new grant program to assist local law enforcement agencies in the support of special enforcement emphasis targeting metal theft.

Section 31 required the association of sheriffs and police chiefs shall implement and operate an ongoing, state wide no-buy list database program beginning on July 1, 2014, when funded.

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.

Sections 12 through 23 of this act have an effective date of January 1, 2014, the remaining sections have 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

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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).

### FIRST YEAR COSTS:

The Department will incur total costs of \$44,000 in Fiscal Year 2014. These 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

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.4		0.2		
A-Salaries and Wages	27,200		27,200		
B-Employee Benefits	8,200		8,200		
E-Goods and Other Services	6,000		6,000		
J-Capital Outlays	2,600		2,600		
<b>Total \$</b>	<b>\$44,000</b>		<b>\$44,000</b>		

**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
IT SPEC 4	63,195	0.1		0.1		
IT SPEC 5	69,756	0.3		0.2		
<b>Total FTE's</b>	<b>132,951</b>	<b>0.4</b>		<b>0.2</b>		

## 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.

Request # 1552-4-1

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1552 E S HB AMS LAW S2323.3	<b>Title:</b> Scrap metal theft reduction	<b>Agency:</b> 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:

NONE

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.*

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- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/03/2013
Agency Preparation: Shawn Eckhart	Phone: 360-596-4080	Date: 04/08/2013
Agency Approval: Heidi Thomsen	Phone: (360) 596-4046	Date: 04/08/2013
OFM Review: Alyson Cummings	Phone: 360-902-0576	Date: 04/08/2013

Request # 0106-1

## 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.*

This striking amendment for ESHB 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 10 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 10 lowers that timeframe to within the past four years.

Section 11 specifies that nothing in Chapter 19.290 RCW applies to transactions involving metal from the components of vehicles acquired by vehicle wreckers, hulk haulers, or scrap processors licensed under chapter 46.79 or 46.80 RCW and acquired in accordance with those laws; or transactions conducted by motor vehicle dealers licensed under chapter 46.70 RCW; or by persons in the business of operating an automotive repair facility as defined under RCW 46.71.011; or by persons in the business of buying or selling empty metal food and beverage containers.

Section 21 permits law enforcement agencies, including the Washington State Patrol (WSP), to make periodic inspection of a licensee's licensed premises and records. Section 8 specifies that requests by law enforcement to scrap metal businesses for certain transactions records made per RCW 19.290.050 be made in writing. The scrap metal business must provide transaction records for requests made by law enforcement if they only involve a specified individual, vehicle or metal property. The business is not allowed to provide records for a request over a time period without reference to a specified person, vehicle or metal item, and can not provide that info to non-law enforcement entities, including third parties working on behalf of law enforcement. Records created via these requests are exempt from disclosure under chapter 42.56 RCW. Section 9 also specifies that law enforcement notification made per RCW 19.290.060 to scrap metal businesses that an item of metal property has been reported as stolen also be made in writing.

Section 24 directs the Washington Association of Sheriffs and Police Chiefs (WASPC) to, when funded, establish a grant program to assist local law enforcement agencies in the support of special enforcement emphases targeting metal theft. These grants may not supplant funding that had already been provided for special enforcement targeting metal theft.

Section 25 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 27 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 31 through 33 address the implementation of an ongoing electronic statewide no-buy list database program to be implemented and operated by WASPC beginning on July 1, 2014, if funded. Per section 34, if not funded in the

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appropriation act, sections 31 through 33 are null and void.

Section 35 provides an effective date of January 1, 2014, for sections 12 through 23.

## **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 27. 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 section 21. Participation in the scrap theft alert system is also discretionary, and we assume no expenditures from section 25.

Transactions involving metal from the components of vehicles acquired by hulk haulers and vehicle wreckers addressed in chapters 46.79 and 46.80 are not subject to the provisions in this legislation per Section 11, and therefore the WSP's Commercial Vehicle Division is not impacted by the legislation in regard to those industries.

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 31 through 33, 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

<b>Bill Number:</b> 1552 E S HB AMS LAW S2323.3	<b>Title:</b> Scrap metal theft reduction	<b>Agency:</b> 227-Wa St Criminal Justice Train Comm
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## 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

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: 04/03/2013
Agency Preparation: Brian Elliott	Phone: 360-486-2436	Date: 04/04/2013
Agency Approval: Brian Elliott	Phone: 360-486-2436	Date: 04/04/2013
OFM Review: Alyson Cummings	Phone: 360-902-0576	Date: 04/04/2013

Request # 2013-28-1

## 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 24(1) states "When funded, the Washington Association of Sheriffs and Police Chiefs shall establish a grant program to assist local law enforcement agencies in the support of special enforcement emphasis targeting metal theft." Section 31(1) states "Beginning on 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.

### 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.

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

WASPC management fees are estimated to be \$73,410 in fiscal year 2014 and \$63,630 each fiscal year after. These figures are 3% of annual grants and database expenses.

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

Total fiscal year 2014 expenses total \$2,520,410.

Total fiscal year 2015 and each year after expenses total \$2,184,630.

## 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

<b>Bill Number:</b> 1552 E S HB AMS LAW S2323.3	<b>Title:</b> Scrap metal theft reduction	<b>Agency:</b> 240-Department of Licensing
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## 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
<b>Total \$</b>	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
<b>Account</b>					
Business and Professions Account-State 06L-1	309,510	289,008	598,518	479,997	478,272
<b>Total \$</b>	309,510	289,008	598,518	479,997	478,272

### Estimated Capital Budget Impact:

NONE

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: 04/03/2013
Agency Preparation: Christeen Leeper	Phone: (360) 902-3781	Date: 04/05/2013
Agency Approval: Sam Knutson	Phone: (360) 902-3644	Date: 04/05/2013
OFM Review: Jim Albert	Phone: (360) 902-0419	Date: 04/05/2013

Request # 1552 ES 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	152,577	181,953	334,530	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	3,598	5,397	6,425	5,654
J-Capital Outlays	5,400	5,400	10,800		
<b>Total:</b>	<b>\$309,510</b>	<b>\$289,008</b>	<b>\$598,518</b>	<b>\$479,997</b>	<b>\$478,272</b>

### 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
<b>Total FTE's</b>	<b>449,952</b>	<b>2.5</b>	<b>3.0</b>	<b>2.8</b>	<b>2.6</b>	<b>2.6</b>

### 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
<b>Total \$</b>	<b>309,510</b>	<b>289,008</b>	<b>598,518</b>	<b>479,997</b>	<b>478,272</b>

## 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.*

## **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 (4)(a) changes the number of days from ten to no earlier than three days that a payment by nontransferable check can be mailed. Section 6 (4)(b) adds that digital images or pictures must be made available for two years from the date of transactions, while a video recording is for 30 days.

Section 7 requires that commercial account records be maintained for audit purposes for three years following the date of the transfer or receipt.

Section 10 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 gross misdemeanor charge.

Section 12 makes it unlawful to engage in the scrap metal business without a license.

Section 13 establishes licensing requirements for an applicant.

Section 14 addresses issuance of a license.

Section 15 requires licensees to file a \$10,000 surety bond.

Section 16 requires annual renewal of the license.

Section 17 addresses the issuance of a special license plate.

Section 18 invokes the uniform regulation of business and professions act.

Section 19 allows the department to deny the issuance of a license under certain circumstances.

Section 20 authorizes the department to adopt rules and regulations and to set fees.

Section 21 provides law enforcement agencies (LEA) the authority to inspect licensee's licensed premises and audit records as part of the licensing process.

Section 22 adds preemptive language to the regulation of scrap metal businesses.

Section 23 establishes the department's subpoena authority for investigations under the licensing program.

Section 25 requires licensed scrap metal businesses to sign up with the scrap metal theft alert system.

Section 26 adds scrap processing, recycling or supplying without a license (second or subsequent offense) to the crimes listed under the Sentencing Reform act.

Section 28 adds chapter 19.290 RCW to the uniform regulation of business and professions act.

Section 29 establishes the department's disciplinary authority.

Section 30 requires receipts to be deposited to the Business and Professions account.

Section 31 and 32 requires a scrap metal business to search the WSP no-buy list before completing each transaction.

Section 34 declares section 31 through 33 to be null and void if specific funding is not provided by June 30, 2013.

Section 35 establishes an effective date of January 1, 2014 for Sections 12 through 21 and 23.

Section 36 asserts that the director of the department of licensing ensure that sections 12 through 21 and 23 of this act are implemented on January 1, 2014.

The engrossed substitute differs from the substitute bill by adding an effective date of January 1, 2014.

The striker version adds clarifying language regarding record transcripts, public disclosure, purchase transaction requirements, record retention timeframes, grant awards and the seizure of property. These changes do not change the fiscal impact of the engrossed substitute bill.

<b><u>Workload Indicator</u></b>	<b><u>FY 14</u></b>	<b><u>FY 15</u></b>	<b><u>13-15 Total</u></b>	<b><u>15-17 Total</u></b>	<b><u>17-19 Total</u></b>
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 20). Fees will be deposited in the business and professions account (Section 30). The proposed new fees for a business license for scrap metal processors and recyclers and individual licenses for scrap metal suppliers are:

<b>Scrap Metal Program</b>	<b>Proposed</b>
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 12, 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.

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

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

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 17).

<b>Cash Receipts</b>	<b>FY 14</b>	<b>FY 15</b>	<b>13-15 Total</b>	<b>15-17 Total</b>	<b>17-19 Total</b>
General Fund-State	-	-	-	-	-
Business & Profession	273,905	270,504	544,409	560,841	560,083
<b>Total Revenue</b>	<b>273,905</b>	<b>270,504</b>	<b>544,409</b>	<b>560,841</b>	<b>560,083</b>

The cost associated with the implementation of this legislation is projected to be recouped in Fiscal Year 2017. Section 20 allows the department to set fees by rule.

<b>Scrap Metal Program</b>	<b>FY 14</b>	<b>FY 15</b>	<b>FY 16</b>	<b>FY 17</b>	<b>FY 18</b>	<b>FY 19</b>
Beginning Balance	-	(35,605)	(54,110)	(20,268)	26,734	68,727
Revenue	273,905	270,504	274,372	286,469	281,172	278,911
Expenditures	309,510	289,008	240,530	239,467	239,179	239,179
End Balance	(35,605)	(54,110)	(20,268)	26,734	68,727	108,459

## II. C – Expenditures

The bill adds a new licensing and regulatory program within the Department of Licensing (DOL). 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 4-20, 23, 25-30). 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 19). 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 5-7, 10-18, 25, 28, 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 5-7, 10, 12, 18-19). 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 17, 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 20) 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 13). 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	152,577	181,953	334,530	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		
<b>TOTAL</b>	<b>309,510</b>	<b>289,008</b>	<b>598,519</b>	<b>479,997</b>	<b>478,272</b>

#### 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 EQ l	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
ER Application Programmers	54,645		54,645		
EY Software Maintenance	280	280	560		
EZ Other Goods & Svcs	1,326	1,471	2,797	2,522	2,514
<b>Total Goods &amp; Svcs</b>	<b>100,491</b>	<b>38,729</b>	<b>139,220</b>	<b>68,847</b>	<b>68,069</b>

#### 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

<b>Job Classification</b>	<b>Salary</b>	<b>FY 14</b>	<b>FY 15</b>	<b>13-15 Total</b>	<b>15-17 Total</b>	<b>17-19 Total</b>
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
<b>Total FTEs</b>		<b>2.5</b>	<b>3.0</b>	<b>2.8</b>	<b>2.6</b>	<b>2.6</b>

### III. B – Expenditures by Program (optional)

<b>Program</b>	<b>FY 14</b>	<b>FY 15</b>	<b>13-15 Total</b>	<b>15-17 Total</b>	<b>17-19 Total</b>
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.

# LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

<b>Bill Number:</b> 1552 E S HB AMS LAW S2323.3	<b>Title:</b> Scrap metal theft reduction
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## 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 grants to target metal theft
- ☒ Counties: Same as above, plus indeterminate costs for county jails
- ☐ 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 grant funding available to local law enforcement agencies

### Estimated revenue impacts to:

Indeterminate Impact
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### Estimated expenditure impacts to:

Indeterminate Impact
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## Part III: Preparation and Approval

Fiscal Note Analyst: Alice Zillah	Phone: 360-725-5035	Date: 04/09/2013
Leg. Committee Contact:	Phone:	Date: 04/03/2013
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 04/09/2013
OFM Review: Jim Albert	Phone: (360) 902-0419	Date: 04/09/2013

## Part IV: Analysis

### A. SUMMARY OF BILL

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

#### CHANGES FROM PREVIOUS BILL VERSION:

Several changes in the amended version of the bill impact local government. Records of scrap metal transactions furnished to law enforcement are exempt from public disclosure. Money received from the Washington Association of Sheriffs and Police Chiefs (WASPC) grant program may not be used to supplant preexisting funding sources for metal theft enforcement.

#### SUMMARY OF CURRENT BILL VERSION:

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. 8 amends RCW 19.290.050. Law enforcement officers may make written requests of scrap metal businesses to furnish their purchase records. These records are exempt from public disclosure.

Section 10 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, with the intent to deceive the purchaser of any scrap metal as to the actual seller of the scrap metal.

Sec. 12 adds a new section to 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. 13 adds a new section to RCW 19.290. An application for a scrap metal license shall include a certificate of approval of the chief executive officer, chief of police or designee certifying that the applicant has an established place of business at the address shown on the application; there are no known environmental or other violations associated with the business; and in the case of a renewal of a scrap metal license, the applicant is in compliance with this chapter.

Sec. 21 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.

Sec. 22 adds a new section to chapter 19.290 RCW. The state of Washington 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.

Sec. 24 adds a new section to RCW 36.28A. When funded, the WASPC shall establish a grant program to assist local law enforcement agencies in the support of special enforcement emphasis targeting metal theft. Grant applications shall be reviewed and awarded through peer review panels. Grant applicants are encouraged to utilize multijurisdictional efforts. The cost of administering the grants shall not exceed \$60,000 or three percent of appropriated funding, whichever is greater. Grant awards may not be used to supplant preexisting funding sources for special enforcement targeting metal theft.

Section 25 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. 26 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. 27 add a new section to chapter 19.290 RCW concerning seizure and forfeiture by law enforcement agencies.

Section 31 adds a new section to RCW 43.43. Beginning on July 1, 2014, when funded, 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.*

### **CHANGES FROM EXPENDITURE IMPACTS OF PREVIOUS BILL VERSION:**

The changes in the amended version of the bill do not affect the expenditure impacts discussed below.

### **EXPENDITURE IMPACTS OF CURRENT BILL VERSION:**

The bill would expand the definitions of existing class B and class C felonies, and create two new gross misdemeanor offenses and a new class C 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 two new gross misdemeanor charges carry 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 WASPC, as a local option, this aspect of the bill would not result in additional costs for local law enforcement.

Sec. 22 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. 27 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. Under the bill, WASPC, when funded, shall establish a grant program to assist local law enforcement agencies to target metal theft. WASPC will allocate moneys from the grant program to law enforcement agencies fulfilling certain requirements, including that they design an enforcement program that best suits the specific metal theft problem in the jurisdiction receiving the grant. No information was available to estimate the amount of money that the grant program would disperse, nor the frequency by which amounts would be allocated to local government law enforcement agencies.

### **SOURCES:**

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