

Multiple Agency Fiscal Note Summary

Bill Number: 2214 S HB	Title: Code enforcement officials
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Estimated Cash Receipts

Agency Name	2013-15		2015-17		2017-19	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Labor and Industries	0	200,000	0	400,000	0	400,000
Total \$	0	200,000	0	400,000	0	400,000

Estimated Expenditures

Agency Name	2013-15			2015-17			2017-19		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	Fiscal note not available								
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Department of Enterprise Services	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Labor and Industries	.1	0	21,000	.1	0	21,000	.0	0	0
Total	0.1	\$0	\$21,000	0.1	\$0	\$21,000	0.0	\$0	\$0

Estimated Capital Budget Impact

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). A fiscal analysis was prepared to show the projected ten-year cost to tax or fee payers of the proposed taxes or fees. The ten-year projection can be viewed at

<http://www.ofm.wa.gov/tax/default.asp>

Prepared by: Chris Stanley, OFM	Phone: (360) 902-9810	Date Published: Preliminary 2/10/2014
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 37307

FNS029 Multi Agency rollup

Department of Revenue Fiscal Note

Bill Number: 2214 S HB	Title: Code enforcement officials	Agency: 140-Department of Revenue
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Part I: Estimates

☒ No Fiscal Impact

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:	Alex MacBain	Phone: 360-786-7288	Date: 02/05/2014
Agency Preparation:	Don Gutmann	Phone: 360-534-1510	Date: 02/06/2014
Agency Approval:	Kim Davis	Phone: 360-534-1508	Date: 02/06/2014
OFM Review:	Kathy Cody	Phone: (360) 902-9822	Date: 02/06/2014

Request # 2214-3-2

Part II: Narrative Explanation

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

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

Note: This fiscal note reflects language in SHB 2214, 2014 Legislative Session.

This legislation creates the code apprenticeship program. A fee of \$2 on each building permit issued by a county or city is authorized for funding of the program.

Revenue collected under the new fee must be appropriated to the Department of Enterprise Services for distribution to the sponsor of an apprenticeship program.

The bill takes effect 90 days after final adjournment of the session in which it is enacted.

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 no revenue impact to taxes administered by the Department of Revenue as a result of this legislation.

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 Department of Revenue will not incur any costs with the implementation of this legislation.

Part III: Expenditure Detail

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: 2214 S HB	Title: Code enforcement officials	Agency: 179-Department of Enterprise Services
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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: Alex MacBain	Phone: 360-786-7288	Date: 02/05/2014
Agency Preparation: Keith Williams	Phone: (360) 407-9247	Date: 02/10/2014
Agency Approval: Valerie Guthrie	Phone: (360) 407-9246	Date: 02/10/2014
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 02/10/2014

Request # -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 2 would require counties and cities to collect a new \$2 fee on each building permit they issue. It will require them to remit the money they collect to the State Treasury quarterly. No remittance will be required on behalf of the cities and counties until a minimum of \$50 has accumulated as a result of this section.

Section 4 would establish a new account, the Code Officials Apprenticeship and Training Account, in the State Treasury. All money remitted to the State Treasurer as a result of this act would have to be deposited to this new account. Money from the new account could only be spent after it was appropriated.

Section 3 requires that money collected as a result of this act would have to be appropriated to the Department of Enterprise Services (DES). The DES would distribute the money they were appropriated to the sponsor of an apprenticeship program for building officials for reasons specified in the bill.

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.

Section 3 requires that money collected as a result of this act would have to be appropriated to the Department of Enterprise Services (DES). The DES would distribute the money they were appropriated to the sponsor of an apprenticeship program for building officials for reasons specified in the bill.

The bill does not provide any parameters that would allow the Department of Enterprise Services (DES) to:

- 1) Determine the expenses that would relate to establishing and operating a code official apprenticeship program.
- 2) Determine the administrative expenses of the joint apprenticeship training committee.
- 3) Determine the expenses related to training programs for code official provided by public or private entities.

Because DES cannot determine the number of sponsors, the number of requests for funds or the dollar amount of those requests, we cannot determine the expenditures that would be involved in this activity.

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: 2214 S HB	Title: Code enforcement officials	Agency: 235-Department of Labor and Industries
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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
All Other Funds-State 000-1		200,000	200,000	400,000	400,000
Total \$		200,000	200,000	400,000	400,000

Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.0	0.2	0.1	0.1	0.0
Account					
Accident Account-State 608-1	0	18,000	18,000	18,000	0
Medical Aid Account-State 609-1	0	3,000	3,000	3,000	0
Total \$	0	21,000	21,000	21,000	0

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: Alex MacBain	Phone: 360-786-7288	Date: 02/05/2014
Agency Preparation: Gwendolyn M Reed	Phone: 360-902-6992	Date: 02/07/2014
Agency Approval: Randi Warick	Phone: 360-902-4214	Date: 02/07/2014
OFM Review: Trisha Newport	Phone: (360) 902-0417	Date: 02/10/2014

Request # 065-FPLS-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 attached.

II. B - Cash receipts Impact

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

See attached.

II. C - Expenditures

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

See attached.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years		0.2	0.1	0.1	
A-Salaries and Wages		12,000	12,000	12,000	
B-Employee Benefits		4,000	4,000	4,000	
C-Professional Service Contracts					
E-Goods and Other Services		5,000	5,000	5,000	
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$21,000	\$21,000	\$21,000	\$0

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
Apprenticeship Consultant 3	55,836		0.2	0.1	0.1	
Fiscal Analyst 2	40,524		0.0	0.0	0.0	
Total FTE's	96,360		0.2	0.1	0.1	0.0

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

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

See attached.

Part II: Explanation

This legislation addresses a training need for county code officials to assure timely and consistent inspections for the benefit of the construction economy and local communities, through the creation of the Code Officials Apprenticeship Program. It establishes a fee of two dollars on each residential building permit issued by a county or a city in Washington State. Additionally, it creates the Code Officials Apprenticeship and Training account that would be established in the state treasury for deposit of all monies collected from the building permit fee. The Department of Enterprise Systems (DES) would be appropriated funds for distribution to the sponsor of an apprenticeship program for building officials.

Differences from HB 2214 , that change the impact to L&I are:

- DES instead of Department of Revenue (DOR) would appropriate funds.
- The Apprenticeship program at the Department of Labor and Industries is required to review the Code Officials Apprenticeship and Training program and the use of funds collected in accordance with the fee imposed under this legislation.
- The department is required to request information and consult with the Washington Association of Building Officials, the Association of Washington Cities, the Washington State Association of Counties, the State Board of Community and Technical Colleges, the State Workforce Training and Education Coordinating Board, the Washington Association of Realtors, and the Department of Commerce.
- The department is required to submit a preliminary report regarding its findings to the legislature by June 1, 2016, and a final report by December 31, 2016.

This bill takes effect 90 days from sine die.

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

Impact

Section 2 – Imposes a fee of two dollars on each building permit issued by a county or a city.

Section 5 (1)(a)(b) -The department must review the Code Officials Apprenticeship and Training program and review the use of funds collected in accordance with the fee imposed under this legislation.

Section 5 (2) In conducting the review the department must request information from and consult with appropriate stakeholders, including but not limited to the Washington Association of Building Officials, the Association of Washington Cities, the Washington State Association of Counties, the State Board of Community and Technical Colleges, the State Workforce Training and Education Coordinating Board, the Washington Association of Realtors, and the Department of Commerce.

Section 5 (3) the department must submit a report of its findings to the appropriate committees of the legislature. A preliminary report must be submitted by June 1, 2016, and a final report must be submitted by December 31, 2016.

II. B – Cash Receipt Impact

Section 2 of this legislation imposes a two dollar fee on each building permit issued by a city or a county. DES anticipates 100,000 building permits in 2014 and every year thereafter, which equates to \$200 thousand per year in available revenue.

\$200 thousand per year in revenue will be placed in the newly created Code Officials Apprenticeship and Training Account, per Section 4 of the bill.

II. C – Expenditures

To implement this legislation the department will need a 0.2 Apprenticeship Consultant 3
($60+60+120+120=360/2,088$ (# of hours per year) = 0.2) to:

- Develop a compliance analysis to review the use of funds. (60 FTE hours)
- Compliance review for the Washington Association of Building Officials (WABO) apprenticeship program. (60 FTE Hours)
- Request information from the WABO, the Association of Washington Cities, the Washington State Association of Counties, the State Board of Community and Technical Colleges, the State Workforce Training and Education Coordinating Board, the Washington Association of Realtors, and the Department of Commerce. (120 FTE Hours)
- Compile data to prepare and deliver the required legislative reports. (120 FTE Hours)

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

Bill Number: 2214 S HB	Title: Code enforcement officials
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☐ Cities:
- ☐ Counties:
- ☐ 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:

Part III: Preparation and Approval

Fiscal Note Analyst: Jaime Rossman	Phone: 360-725-2717	Date: 02/10/2014
Leg. Committee Contact: Alex MacBain	Phone: 360-786-7288	Date: 02/05/2014
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 02/10/2014
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 02/10/2014

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 ORIGINAL BILL VERSION:

The current version adds a requirement that the Department of Labor and Industries (LNI) review the code officials apprenticeship and training program and the use of funds provided for in the bill, and report to the legislature by December 31 2016. LNI would consult with local government associations in developing this report. As with the original bill version, no local government fiscal impacts are anticipated.

SUMMARY OF CURRENT BILL VERSION:

This bill would impose a \$2 fee on each building permit issued by a county or city, applied to the same types of permits on which a fee is already charged under RCW 19.27.085(3). Cities and counties would remit collected fees quarterly to the state treasury. Revenues from the fee would be distributed for the establishment and operation of a code official apprenticeship program, the administrative expenses of the joint apprenticeship training committee for the code official apprenticeship program, and expenses related to training programs for code officials provided by public or private entities. LNI would review the code officials apprenticeship and training program and the use of funds provided for in the bill, and report to the legislature by December 31 2016. LNI would consult with local government associations in developing this report.

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.

Cities and counties would collect a \$2 fee on each building permit issued, and remit that fee to the state treasury. The State Building Code Council estimates 100,000 such permits will be issued annually, so collections and remittances under this bill are estimated to be \$200,000 per year. However, all such funds would be remitted to the state, so there would be no net local government expenditure or revenue impact.

In the future, local government expenses related to training code officials could potentially be reduced, to the extent that trainings for local officials are provided with the funding collected under this bill. Any such reductions would depend on specific trainings developed by the code official apprenticeship program, so cannot be estimated, but would likely be minor for individual jurisdictions. Similarly, jurisdictions would incur minor expenditures of staff time for the collection and remittance of fees established by this bill. Such expenditures are assumed to be negligible as fees are already collected on all such permits and remitted quarterly.

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.

As discussed above, cities and counties would collect a new \$2 fee on each building permit and remit such fees to the state treasury, so there would be no net impact on local government revenue.

SOURCES:

Department of Enterprise Services
Department of Labor and Industries fiscal note
State Building Code Council
Washington Association of Building Officials