

Individual State Agency Fiscal Note

Bill Number: 1301 HB	Title: License review and reporting	Agency: 240-Department of Licensing
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Part I: Estimates



No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Architects' License Account-State 003-1	3,000	6,000	9,000		
Real Estate Commission Account-State 026-1	20,000	39,000	59,000		
Real Estate Appraiser Commission Account-State 06G-1	3,000	6,000	9,000		
Business and Professions Account-State 06L-1	39,000	81,000	120,000		
Funeral and Cemetery Account-State 15V-1	3,000	6,000	9,000		
Landscape Architects' License Account-State 16B-1	3,000	6,000	9,000		
Appraisal Management Company Account-State 16M-1	3,000	6,000	9,000		
Geologists' Account-State 298-1	3,000	6,000	9,000		
Total \$	77,000	156,000	233,000		

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.5	1.0	0.8	0.0	0.0
Account					
Architects' License Account-State 003-1	3,000	6,000	9,000	0	0
Real Estate Commission Account-State 026-1	20,000	39,000	59,000	0	0
Real Estate Appraiser Commission Account-State 06G-1	3,000	6,000	9,000	0	0
Business and Professions Account-State 06L-1	39,000	81,000	120,000	0	0
Funeral and Cemetery Account-State 15V-1	3,000	6,000	9,000	0	0
Landscape Architects' License Account-State 16B-1	3,000	6,000	9,000	0	0
Appraisal Management Company Account-State 16M-1	3,000	6,000	9,000	0	0
Geologists' Account-State 298-1	3,000	6,000	9,000	0	0
Total \$	77,000	156,000	233,000	0	0

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Michelle Rusk	Phone: 360-786-7153	Date: 01/16/2023
Agency Preparation: Gina Rogers	Phone: 360-634-5036	Date: 01/19/2023
Agency Approval: Gerrit Eades	Phone: (360)902-3863	Date: 01/19/2023
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 01/23/2023

Part II: Narrative Explanation

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

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

See attached fiscal note

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

See attached fiscal note

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

See attached fiscal note

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
003-1	Architects' License Account	State	3,000	6,000	9,000	0	0
026-1	Real Estate Commission Account	State	20,000	39,000	59,000	0	0
06G-1	Real Estate Appraiser Commission Account	State	3,000	6,000	9,000	0	0
06L-1	Business and Professions Account	State	39,000	81,000	120,000	0	0
15V-1	Funeral and Cemetery Account	State	3,000	6,000	9,000	0	0
16B-1	Landscape Architects' License Account	State	3,000	6,000	9,000	0	0
16M-1	Appraisal Management Company Account	State	3,000	6,000	9,000	0	0
298-1	Geologists' Account	State	3,000	6,000	9,000	0	0
Total \$			77,000	156,000	233,000	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.5	1.0	0.8		
A-Salaries and Wages	41,000	83,000	124,000		
B-Employee Benefits	14,000	29,000	43,000		
C-Professional Service Contracts					
E-Goods and Other Services	22,000	44,000	66,000		
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 \$	77,000	156,000	233,000	0	0

III. C - Operating FTE 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 2024	FY 2025	2023-25	2025-27	2027-29
Management Analyst 4	82,896	0.5	1.0	0.8		
Total FTEs		0.5	1.0	0.8		0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

See attached fiscal note

Individual State Agency Fiscal Note

Agency 240 – Department of Licensing

Bill Number: HB 1301

Bill Title: Creating license review and reporting requirements

Part 1: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts:

Revenue	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Architects' License	003	3,000	6,000	9,000	-	-
Real Estate Commission	026	20,000	39,000	59,000	-	-
Real Estate Appraiser Commission	06G	3,000	6,000	9,000	-	-
Business and Professions	06L	39,000	81,000	120,000	-	-
Funeral and Cemetery	15V	3,000	6,000	9,000	-	-
Landscape Architects' License	16B	3,000	6,000	9,000	-	-
Appraisal Management Company	16M	3,000	6,000	9,000	-	-
Geologists'	298	3,000	6,000	9,000	-	-
Account Totals		77,000	156,000	233,000	-	-

Estimated Expenditures:

		FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
FTE Staff Years		0.5	1.0	0.8	-	-
Operating Expenditures	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Architects' License	003	3,000	6,000	9,000	-	-
Real Estate Commission	026	20,000	39,000	59,000	-	-
Real Estate Appraiser Commission	06G	3,000	6,000	9,000	-	-
Business and Professions	06L	39,000	81,000	120,000	-	-
Funeral and Cemetery	15V	3,000	6,000	9,000	-	-
Landscape Architects' License	16B	3,000	6,000	9,000	-	-
Appraisal Management Company	16M	3,000	6,000	9,000	-	-
Geologists'	298	3,000	6,000	9,000	-	-
Account Totals		77,000	156,000	233,000	-	-

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

Legislative Contact:	Phone: (360)	Date:
Agency Preparation: Gina Rogers	Phone: (360) 634-5036	Date: 1-18-2023
Agency Approval: Gerrit Eades	Phone: (360) 902-3931	Date:

Request #	1
Bill #	1301 HB

Part 2 – Explanation

2.A – Brief Description Of What The Measure Does That Has Fiscal Impact

This bill establishes a sunset review process that requires DOL to review their Title 18 professions and provide recommendations to the legislature in an annual report on whether those licenses should be terminated, continued, or modified.

Sec. 1 – Adds a new chapter to Title 18 RCW

- (3) intends to establish a sunset review for all professional licensing requirements regulated by DOL

Sec. 2 – Adds a new chapter to Title 18 RCW

- Cited as the Professional License Review Act

Sec. 3 – Adds a new chapter to Title 18 RCW

- (1) “department” means DOL
- (2) “director” means the DOL director

Sec. 4 – Adds a new chapter to Title 18 RCW

- (1) DOL shall begin annually reviewing 20% of its professional licenses in 2024
 - Submit an annual report to the legislature by August 31st
 - Should include recommendations for whether the licenses should be terminated, continued, or modified
 - This process should be completed for all professional licenses within 5 years, and every 5 years afterward
- (2) DOL may require information from the affected boards/commission and other parties
 - DOL must provide notice to the relevant board/profession before beginning the review
- (3) DOL’s report must include:
 - Professional license title and board/commission name responsible for enforcement (if applicable)
 - Authorization for creation of the license and board/commission (if applicable)
 - Board/commission member number, how they were appointed, qualifications, and the number of times during the year they must meet and the number of times it actually met during the previous 5 calendar years (if applicable)
 - Annual budget information for the 5 most recently completed fiscal years
 - Number of government certifications, professional licenses, and registrations that DOL or the board/commission has issued, revoked, denied, or assessed penalties against
 - Must be done for the previous 5 calendar years (or time period information is available)
 - Must be listed anonymously and separately by credential type
 - Must include the reason for revocation, denial, and other penalties
 - Review of assumptions behind the professional license creation
 - Comparison of whether/how other states regulate the profession

- Review of the hours or other amount of education, training, or experience required to obtain the license
- Summary of any regulatory changes made by DOL or the board/commission resulting from the review
- Any recommendations regarding whether the license should be terminated, continued, or modified
- (4) the legislative committee may request DOL conduct further analysis and the extended report must include
 - (a) Whether the license meets one of the policies below and the recommended course of action for meeting them
 - Protecting consumers against fraud – strengthening powers under chapter 19.86 RCW or requiring disclosures to reduce misleading attributes of the specific goods/services
 - Protecting consumers against unclean facilities or promoting general health and safety – requiring periodic facility inspections
 - Protecting consumers against potential damages from provider failure to complete a contract – requiring providers to be bonded
 - Protecting people who are not party to a contract between the provider/consumer – requiring providers to have insurance
 - Protecting consumers against potential damages by transient providers – requiring providers to register their businesses with the state
 - Protecting consumers against knowledge imbalance with providers’ of goods and services – enacting government certification
 - Addressing a systematic information shortfall that would prevent consumers from understanding provider quality and an absence of institutions that provide consumer guidance – enacting a professional license
 - (b) Review of the hours or other amount of education, training, or experience required to ensure requirements are as least restrictive as necessary (if this is a qualification for the license under review)
- (5) if a profession is subject to chapter 18.120 RCW, the analysis under (4)(a) must be made using the least restrictive regulation method in RCW 18.120.010
- (6) if DOL finds it necessary to change professional licenses, they shall recommend the least restrictive regulation consistent with public interest and section policies

Sec. 5 – New Section

- Creates a new chapter in Title 18 RCW

2.B - Cash receipts Impact

To implement this legislation, a one-time assessment would need to be added to licenses that are funded with dedicated funds, equal to the costs contained in the expenditure section of this fiscal note. The cost allocation model applied to current expenditures is used to establish the revenue breakdown. For efficiency purposes, the department will add inclusion of this one-time assessment per license, to a planned fee rulemaking process in the spring of 2024, with any fee proposed increases to go into effect in June 2024.

Revenue	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Architects' License	003	3,000	6,000	9,000	-	-
Real Estate Commission	026	20,000	39,000	59,000	-	-
Real Estate Appraiser Commission	06G	3,000	6,000	9,000	-	-
Business and Professions	06L	39,000	81,000	120,000	-	-
Funeral and Cemetery	15V	3,000	6,000	9,000	-	-
Landscape Architects' License	16B	3,000	6,000	9,000	-	-
Appraisal Management Company	16M	3,000	6,000	9,000	-	-
Geologists'	298	3,000	6,000	9,000	-	-
Account Totals		77,000	156,000	233,000	-	-

2.C – Expenditures

To implement this legislation, the Business and Professions Division will need one Management Analyst (MA4) FTE for 18 months. This is an additional 6 months of the FTE from the previous bill because the program has a better understanding of the tasks and the volume of work that needs to be completed to successfully implement.

Support Services:

Agency Administrative Overhead is included at a rate of 23.4 percent of the direct program costs. This funding received covers agency-wide functions such as vendor payments, contract administration, financial management, mail processing, equipment management, help desk support, and technical assistance to DOL employees.

Part 3 – Expenditure Detail

3.A – Operating Budget Expenditures

Operating Expenditures	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Architects' License	003	3,000	6,000	9,000	-	-
Real Estate Commission	026	20,000	39,000	59,000	-	-
Real Estate Appraiser Commission	06G	3,000	6,000	9,000	-	-
Business and Professions	06L	39,000	81,000	120,000	-	-
Funeral and Cemetery	15V	3,000	6,000	9,000	-	-
Landscape Architects' License	16B	3,000	6,000	9,000	-	-
Appraisal Management Company	16M	3,000	6,000	9,000	-	-
Geologists'	298	3,000	6,000	9,000	-	-
Account Totals		77,000	156,000	233,000	-	-

3.B – Expenditures by Object or Purpose

Object of Expenditure	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
FTE Staff Years	0.5	1.0	0.8	0.0	0.0
Salaries and Wages	41,000	83,000	124,000	-	-
Employee Benefits	14,000	29,000	43,000	-	-
Goods and Services	22,000	44,000	66,000	-	-
Total By Object Type	77,000	156,000	233,000	-	-

3.C – FTE Detail

Staffing	Salary	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Management Analyst 4	82,896	0.5	1.0	0.8	0.0	0.0
Total FTE		0.5	1.0	0.8	0.0	0.0

1.0 Project (18 month) Management Analyst 4 (MA4) FTE:

The MA4 will conduct the review and analysis, coordinate with the affected boards/commissions and other stakeholder groups, research the licensing history and compile information from the licensing programs and other states.

Part 4 – Capital Budget Impact

None.

Part 5 – New Rule Making Required

To implement this legislation, a one-time assessment would need to be added to licenses that are funded with dedicated funds, equal to the costs contained in the expenditure section of this fiscal note. The cost allocation model applied to current expenditures is used to establish the revenue breakdown. For efficiency purposes, the department will add inclusion of this one-time assessment per license, to a planned fee rulemaking process in the spring of 2024, with any fee proposed increases to go into effect in June 2024.