

Individual State Agency Fiscal Note

Bill Number: 5253 SB	Title: Fire-resistant materials	Agency: 235-Department of Labor and Industries
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

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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.

This bill establishes a training and certification program for fire-resistant material applicators. Workers applying fire-resistant material must obtain training from either an apprenticeship program registered with the Washington State Apprenticeship and Training Council (WSATC) or by Labor and Industries approved manufacturers.

The bill also creates a penalty schedule for first, second, and third violations by contractors that fail to meet the documentation retention, training, and certification requirements outlined in the bill.

Section 3(1) Every fire-resistant applicator shall undergo initial training to apply fire-resistant material and must conduct training every five years. Minimum standards for initial and refresher training must be established by the department through rule making.

Section 3(2) Workers applying fire-resistant material must obtain training from either an apprenticeship program registered with the Washington State Apprenticeship and Training Council (WSATC) or by Labor and Industries approved manufacturers.

Section 4 Contractors employing fire-resistant material applicators must receive written verification the applicator is in compliance with training requirements and retain the records for 10 years. If contractors fail to meet the verification and retention requirements they are subject to fines up to \$3,000 for every instance that an individual installed fire-resistant materials without verification the required training.

Section 5 Contractors employing fire-resistant material applicators must ensure they are certified as described in sections 3 and 4. The department shall implement this section, including a procedure to appeal the penalties. The penalty schedule is as follows:

- First Violation: Penalty of \$2,500 and the violation must be publicly viewable on the department's website.
- Second Violation: Penalty of \$3,000 and an automatic debarment from bidding for public works projects for one year.
- Third Violation: Penalty of \$5,000 and a lifetime disbarment from bidding on public works projects.

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.

Receivables – Operating

The cash receipt impact for this bill is indeterminate. Collections received from citations would increase revenue to the supplemental pension fund. Due to the broad definition of fire-resistant materials provided in the bill, it is not possible to estimate the number of citations issued to employers by the Division of Occupational Safety and Health (DOSH).

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.

Appropriated – Operating Costs

This proposed bill increases expenditures to the Accident Account, 608, and the Medical Aid Account, 609. Due to the broad definition of fire-resistant material in bill, DOSH is not able to determine an estimate of citations issued each year.

Therefore the impact is indeterminate.

Costs would be expected in the following areas.

Staffing

DOSH Compliance Inspectors: There is no impact to compliance inspectors as this will become part of the normal inspection process.

Revenue Agent 2: Dependent upon the volume of citations issued each year, a request for FTE's in the Revenue Agent classification to collect penalties from citations issued to employers violating the provisions in the bill.

Information Technology (IT)

L&I estimates minimal citations at this time, therefore, there is limited IT impact. However, if citations increase, the department may require funding to address this.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

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

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.

Rulemaking will be required. The number of hearings is indeterminate due to the level of detailed provided in the bill.