

Individual State Agency Fiscal Note

Bill Number: 1648 HB	Title: Ticket sales	Agency: 240-Department of Licensing
-----------------------------	----------------------------	--

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Business and Professions Account-State 06L-1	3,535,000	3,535,000	7,070,000	7,070,000	7,070,000
Total \$	3,535,000	3,535,000	7,070,000	7,070,000	7,070,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	4.0	5.1	4.6	5.1	5.1
Account					
Business and Professions Account-State 06L-1	1,195,000	542,000	1,737,000	1,095,000	1,095,000
Total \$	1,195,000	542,000	1,737,000	1,095,000	1,095,000

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: 01/27/2023
Agency Preparation: Deb Williams	Phone: 360-902-0015	Date: 02/01/2023
Agency Approval: Gerrit Eades	Phone: (360)902-3863	Date: 02/01/2023
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 02/02/2023

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.

Please 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.

Please 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.

Please 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
06L-1	Business and Professions Account	State	1,195,000	542,000	1,737,000	1,095,000	1,095,000
Total \$			1,195,000	542,000	1,737,000	1,095,000	1,095,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	4.0	5.1	4.6	5.1	5.1
A-Salaries and Wages	209,000	247,000	456,000	494,000	494,000
B-Employee Benefits	93,000	116,000	209,000	232,000	232,000
C-Professional Service Contracts					
E-Goods and Other Services	890,000	176,000	1,066,000	363,000	363,000
G-Travel	3,000	3,000	6,000	6,000	6,000
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 \$	1,195,000	542,000	1,737,000	1,095,000	1,095,000

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
Customer Service Specialist 2	46,980	1.0	2.0	1.5	2.0	2.0
Investigator 2	63,216	0.3	0.5	0.4	0.5	0.5
Investigator 4	80,952	0.1	0.3	0.2	0.3	0.3
Management Analyst 4	82,896	1.0		0.5		
Professional Licensing Manager 2	64,788	0.8	1.5	1.2	1.5	1.5
WMS	94,992	0.8	0.8	0.8	0.8	0.8
Total FTEs		4.0	5.1	4.6	5.1	5.1

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 1648

Bill Title: Ticket Sales

Part 1: Estimates

No Fiscal Impact

Estimated Cash Receipts:

Revenue	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Business and Professions	06L	3,535,000	3,535,000	7,070,000	7,070,000	7,070,000
Account Totals		3,535,000	3,535,000	7,070,000	7,070,000	7,070,000

Estimated Expenditures:

		FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
FTE Staff Years		4.0	5.1	4.6	5.1	5.1
Operating Expenditures	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Business and Professions	06L	1,195,000	542,000	1,737,000	1,095,000	1,095,000
Account Totals		1,195,000	542,000	1,737,000	1,095,000	1,095,000

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: Michelle Rusk	Phone: (360) 786-7153	Date: 1/27/23
Agency Preparation: Deborah Williams	Phone: (360) 634-5083	Date: 1/27/23
Agency Approval: Gerrit Eades	Phone: (360) 902-3931	Date:

Request #	1
Bill #	

Part 2 – Explanation

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

This bill requires Department of Licensing (DOL) to begin licensing a new profession, ticket sellers and resellers.

2.B - Cash receipts Impact

Revenue impact depends on the number of licenses issued as well as the number of renewals. DOL estimated 3500 licensees based on national counts of ticket sellers. However, the current bill language is broadly written and could be interpreted to include all forms of ticket sellers, from movie cinemas, performing arts venues, to individuals reselling event tickets. With a broader interpretation, the estimated licensees could be as many as 35,000.

DOL assumes there will be 3500 licenses the first year, and 500 new licenses per year after that. Renewals begin in fiscal year 2025, per the one-year requirement. We expect 3000 renewals in the first year and 3000 per year after that.

Tier 1, less than 500 tickets	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
New licenses	\$ 150.00									
Count	1,400	200	200	200	200	200	200	200	200	200
Revenue	\$ 210,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Renewal License										
Count		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Revenue		\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000
Total Tier 1	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
Tier 2, 500 to 1000 tickets										
New licenses	\$ 750.00									
Count	700	100	100	100	100	100	100	100	100	100
Revenue	\$ 525,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Renewal License										
Count		600	600	600	600	600	600	600	600	600
Revenue		\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000
Total Tier 2	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000
Tier 3, over 1,000 tickets										
New licenses	\$ 2,000.00									
Count	1,400	200	200	200	200	200	200	200	200	200
Revenue	\$2,800,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Renewal License										
Count		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Revenue		\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000
Total Tier 3	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000
New Licenses	3500	500	500	500	500	500	500	500	500	500
Renewals		3000	3000	3000	3000	3000	3000	3000	3000	3000
Total Licenses	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500
Grand Total	3,535,000	3,535,000	3,535,000	3,535,000	3,535,000	3,535,000	3,535,000	3,535,000	3,535,000	3,535,000

Revenue	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Business and Professions	06L	3,535,000	3,535,000	7,070,000	7,070,000	7,070,000
Account Totals		3,535,000	3,535,000	7,070,000	7,070,000	7,070,000

If needed to implement this legislation, a one-time assessment would 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.

2.C – Expenditures

The Department of Licensing (DOL) assumes the following regarding this bill and its fiscal impact.

- Requires ticket sellers to apply for a license with DOL.
- Provides DOL fee-setting and rulemaking authority.
- Requires DOL to maintain records of applicants and licensees.
- Requires DOL to mail notices of statutory or regulatory changes to licensees.
- Requires DOL to share licensee data to assist with tax collection.
- Requires DOL to collect violation fees.
- DOL must begin issuing these licenses by January 1, 2024
- DOL will conduct necessary system changes to allow for licensing a new profession.
- DOL will intake and investigate complaints, and take administrative action where needed.

The following positions are required to implement this legislation:

- **Customer Service Specialist 2 (CSS2), 2.0 FTE:**
 - answer customer calls and emails,
 - issue licenses and process renewals (ongoing)
- **Professional Licensing Manager 2 (PLM2), 1.5 FTE**

We assume that the intent of this bill is to protect consumers against large-scale incidents. Tacoma Dome contains just over 20,000 stadium seats with a total seating capacity of 23,000. One event could impact up to 23,000 consumers. A pricing incident may trigger 1.0% of ticket purchasers to file a complaint, which would be 230 complaints for one event.

 - supervise CSS2s.
 - answer escalated customer requests.
 - address complex licensing questions.
 - process intake complaints
 - evaluate for relevancy.
 - provide consumer guidance and direction to the AGO consumer complaints division.
 - work with investigators to compile information for legal documents.
 - manage due process activities and administrative action for licensees (ongoing)
- **Washington Management Services (WMS): 0.8 FTE**
 - manage the development and implementation of a new licensing program

- work with stakeholders
 - establish processes and policies (ongoing)
- **Investigator 2 (INV2): 0.5 FTE**
 - conduct routine inspections to verify that licensees have a WA place of business and their licenses posted.
 - conduct routine investigations tied to consumer complaints (ongoing)
- **Investigator 4 (INV4): 0.3 FTE**
 - supervise and provide escalated regulatory support (ongoing)
- **Management Analyst 4 (MA4): 1.0 FTE, project position**
 - coordinate and conduct rulemaking to implement new licensing program.
 - support stakeholder outreach
 - create reports and establish reporting relationship with the Department of Revenue and assist with process and policy development.
 - This is a 12-month project starting with the bill effective date.

In addition, to personnel requirements, DOL will mail four (4) notices every other year, to 3500 licensees. This complies with the bill in section 6 (6), “To ensure that all informational notices produced and mailed by the department regarding statutory and regulatory changes affecting licensees are mailed to each licensee in good standing...”.

Information Services:

The agency will use appropriated funds to hire contract programmers to accomplish this work or to support current staff implementing this legislation within the required timeline. Appropriated funds may also be used to hire agency temporary staff to support permanent staff assigned to this legislative effort.

Any change requires a management process to ensure changes are correctly applied to the system. This involves the following:

- Project Managers that manage the team that completes the update.
- Business analysts that document and review the system changes.
- Architect services that analyze how the update could affect other systems or DOL processes.
- Developers who create the change.
- Testers and quality assurance teams that ensure the update is working correctly.

Information services will do the following:

- Create three new professions in POLARIS: Ticket Seller, Ticket Reseller and Ticket Salesperson.

- Create ability for applicants to submit applications for new, renewal and reinstatement applications and account change requests electronically for with paper application, including reporting ticket sales information.
- Update system to allow staff to process applications, issue licenses, and perform compliance activities.
- Create new fees that vary based on reported ticket sales.
- Add new professions to standard notifications.
- Update scanners to route paper applications to new system.
- Create and send to DOR report/data file.

Cost Category	Description	Rate	2024	2025	2026	2027	2028	2029	Total Cost
TESTER	Test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	\$ 22,620	115,400	-	-	-	-	-	115,400
BUSINESS ANALYST	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	\$ 16,530	23,100	-	-	-	-	-	23,100
PROJECT MANAGER	Manage schedule and contracts	\$ 28,710	31,600	-	-	-	-	-	31,600
QUALITY ASSURANCE	Plan and carry out activities to assure project deliverables; e.g. preventative defect activities, align quality measures and business objectives.	\$ 37,410	142,200	-	-	-	-	-	142,200
SECURITY AND ARCHITECT SERVICES	Create the conceptual model that defines the structure, behavior and framework of a computerized system including a breakdown of the system into components, the component interactions and interfaces (including with the environment, especially the user), and the technologies and resources to be used in the design.	\$ 16,530	11,600	-	-	-	-	-	11,600
DEVELOPERS	Modify programming and coding to all major systems	\$ 19,140	3,800	-	-	-	-	-	3,800
Trainer	Trains business partners and employees in new system processes and capabilities.	\$ 22,620	31,700	-	-	-	-	-	31,700
Organizational Change Management	Prepares stakeholders for the change and develops strategies to ensure the changes are fully adopted.	\$ 37,410	142,200	-	-	-	-	-	142,200
Project Contingency	Office of the Chief Information Officer designated rate of 10%	\$ 25,474	50,200	-	-	-	-	-	50,200
Totals			551,800	-	-	-	-	-	551,800

An additional amount, \$182,200 is required for information services contracted costs. These costs are for vendor changes to existing information systems.

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
Business and Professions	06L	1,195,000	542,000	1,737,000	1,095,000	1,095,000
Account Totals		1,195,000	542,000	1,737,000	1,095,000	1,095,000

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	4.0	5.1	4.6	5.1	5.1
Salaries and Wages	209,000	247,000	456,000	494,000	494,000
Employee Benefits	93,000	116,000	209,000	232,000	232,000
Goods and Services	890,000	176,000	1,066,000	363,000	363,000
Travel	3,000	3,000	6,000	6,000	6,000
Total By Object Type	1,195,000	542,000	1,737,000	1,095,000	1,095,000

3.C – FTE Detail

Staffing	Salary	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Professional Licensing Manager 2	64,788	0.8	1.5	1.2	1.5	1.5
Investigator 2	63,216	0.3	0.5	0.4	0.5	0.5
Investigator 4	80,952	0.1	0.3	0.2	0.3	0.3
WMS	94,992	0.8	0.8	0.8	0.8	0.8
Customer Service Specialist 2	46,980	1.0	2.0	1.5	2.0	2.0
Management Analyst 4	82,896	1.0	0.0	0.5	0.0	0.0
Total FTE		4.0	5.1	4.6	5.1	5.1

Part 4 – Capital Budget Impact

None.

Part 5 – New Rule Making Required

Rule making is required for an undetermined number of Washington Administrative Codes.