

Multiple Agency Fiscal Note Summary

Bill Number: 5078 S SB	Title: Firearm industry duties
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Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts	No fiscal impact					
Loc School dist-SPI						
Local Gov. Other	No fiscal impact					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Administrative Office of the Courts	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Attorney General	13.5	7,544,000	7,544,000	7,544,000	9.7	5,521,000	5,521,000	5,521,000	2.9	1,749,000	1,749,000	1,749,000
Total \$	13.5	7,544,000	7,544,000	7,544,000	9.7	5,521,000	5,521,000	5,521,000	2.9	1,749,000	1,749,000	1,749,000

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Cheri Keller, OFM	Phone: (360) 584-2207	Date Published: Final 3/ 3/2023
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Judicial Impact Fiscal Note

Bill Number: 5078 S SB	Title: Firearm industry duties	Agency: 055-Administrative Office of the Courts
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

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 for 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.

Legislative Contact: Julie Murray	Phone: 786-7711	Date: 02/27/2023
Agency Preparation: Angie Wirkkala	Phone: 360-704-5528	Date: 02/28/2023
Agency Approval: Chris Stanley	Phone: 360-357-2406	Date: 02/28/2023
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 02/28/2023

185,207.00

Form FN (Rev 1/00)

Request # 224-1

Bill # 5078 S SB

Part II: Narrative Explanation

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

The substitute bill would not have fiscal impacts different than the original to the Administrative Office of the Courts or the courts.

The proposed legislation adds a section to Chapter 7.48 RCW – Nuisances. It specifies duties of firearm industry members with respect to certain firearm industry products. The Attorney General is empowered to sue for violations and those harmed by violations may sue for injunctive and compensatory relief.

II. B - Cash Receipts Impact

II. C - Expenditures

No fiscal impact is expected to the Administrative Office of the Courts or the courts. The bill would not be expected to significantly increase Attorney General suits. The Attorney General is already authorized to sue to abate public nuisances. Private suits could increase, even though current law already allows public nuisance suits by private citizens where the nuisance is “specially injurious” to them.

Part III: Expenditure Detail

III. A - Expenditure By Object or Purpose (State)

NONE

III. B - Expenditure By Object or Purpose (County)

NONE

III. C - Expenditure By Object or Purpose (City)

NONE

III. D - FTE Detail

NONE

III. E - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B1 - Expenditures by Object Or Purpose (State)

NONE

IV. B2 - Expenditures by Object Or Purpose (County)

NONE

IV. B3 - Expenditures by Object Or Purpose (City)

NONE

IV. C - Capital Budget Breakout

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

185,207.00

Form FN (Rev 1/00)

NONE

185,207.00

Form FN (Rev 1/00)

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Request # 224-1

Bill # 5078 S SB

Individual State Agency Fiscal Note

Bill Number: 5078 S SB	Title: Firearm industry duties	Agency: 100-Office of Attorney General
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	13.5	13.5	13.5	9.7	2.9
Account					
General Fund-State 001-1	3,772,000	3,772,000	7,544,000	5,521,000	1,749,000
Total \$	3,772,000	3,772,000	7,544,000	5,521,000	1,749,000

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: Julie Murray	Phone: 786-7711	Date: 02/27/2023
Agency Preparation: Amy Flanigan	Phone: 509-456-3123	Date: 03/02/2023
Agency Approval: Merdan Bazarov	Phone: 360-586-9346	Date: 03/02/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 03/02/2023

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.

Bill Summary:

Section 1: New Section to chapter 7.48 RCW. Findings and intent. Irresponsible, dangerous, and unlawful business practice of members of the firearms industry contributes to the illegal use of firearms and causes harm.

Section 2: New Section to chapter 7.48 RCW. Definitions. Sets out rules for firearm industry members engaged in the manufacture, distribution, importation, and marketing or sale of firearms. Additionally, makes violation of this section a public nuisance and violations are handled under the Consumer Protection Act (CPA). Remedies include injunctive relief, compensatory damages, punitive damages, and attorney fees. Sets out procedures for claims.

Section 3: Title.

Section 4: Severability clause.

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.

Attorney General's Office (AGO) Consumer Protection (CPR) activities are funded with General Fund-State dollars. No cash receipt impact. There is no client agency to bill for legal services.

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.

Attorney General's Office (AGO) Agency Assumptions:

This bill is assumed effective 90 days after the end of the 2023 legislative session.

Location of staffing is assumed to be in a Seattle office building.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 (MA), is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 FTE for a Legal Assistant 3 (LA) and 0.25 FTE of an MA.

Assumptions for the AGO Consumer Protection Division's (CPR) Legal Services:

This bill would impose certain responsibilities on Firearm Industry Members (FIMs) engaged in the manufacture, sales, and marketing of firearms. FIMs would be required to develop "reasonable controls" and take "reasonable precautions" to prevent firearm products from falling into the wrong hands. Violations of the act are deemed a "public nuisance," subjecting FIMs to liability if "reasonably foreseeable" harm resulted from their conduct.

Violations of this bill are also per se Consumer Protection Act (CPA) violations. This bill would allow AGO to bring suit

against offending FIMs and recover typical CPA remedies plus treble damages. The current bill removes explicit language concerning private rights of action, suggesting that AGO will be the primary enforcer of this bill. If private litigants are anticipated to share significantly in enforcement efforts, AGO assumes that the bill’s fiscal impact to the agency will be significantly reduced.

The AGO assumes that most entities will comply with the law voluntarily and that enforcement efforts in early years will lead to increasing industry compliance.

Assuming an effective date of July 1, 2023, CPR will be prepared to start significant implementation work immediately. As with AGO investigations into Large Capacity Magazines (LCM) sales, this bill is likely to result in a coordinated, undercover investigation, a series of Civil Investigative Demands (CIDs) and litigation thereof, or a combination of both. This additional enforcement litigation workload is estimated to total the equivalent of 6.0 AAG and 3.0 Investigator (INV) from FY 2024 to FY 2026. For direct costs, CPR conservatively estimates \$700,000 in expert costs and \$1,000,000 for electronic document hosting and management.

The AGO assumes tapering is appropriate after year three because of increased compliance and resolution of early litigation. For FY 2027 and FY 2028, CPR anticipates to total the equivalent of 2.5 AAG and 1.5 INV, with annual direct costs of \$350,000 for expert costs and \$500,000 for electronic document hosting and management. After FY2028, AGO assumes that further enforcement work after increased industry compliance would be nominal. Therefore, costs are not included in FY 2029 and each FY thereafter.

CPR total FTE workload impact for Seattle rates:

FY 2024 – FY 2026 (each FY): \$3,772,000 for 6.0 AAG, 3.0 LA, and 3.0 INV, and direct litigation costs of \$1,700,000.

FY 2027 – FY 2028 (each FY): \$1,749,000 for 2.5 AAG, 1.25 LA, and 1.5 INV, and direct litigation costs of \$850,000.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	3,772,000	3,772,000	7,544,000	5,521,000	1,749,000
Total \$			3,772,000	3,772,000	7,544,000	5,521,000	1,749,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	13.5	13.5	13.5	9.7	2.9
A-Salaries and Wages	1,382,000	1,382,000	2,764,000	1,982,000	600,000
B-Employee Benefits	441,000	441,000	882,000	632,000	191,000
C-Professional Service Contracts	700,000	700,000	1,400,000	1,050,000	350,000
E-Goods and Other Services	1,235,000	1,235,000	2,470,000	1,837,000	602,000
G-Travel	14,000	14,000	28,000	20,000	6,000
Total \$	3,772,000	3,772,000	7,544,000	5,521,000	1,749,000

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
Assistant Attorney General-Seattle	124,635	6.0	6.0	6.0	4.3	1.3
Legal Assistant 3-Seattle	67,044	3.0	3.0	3.0	2.1	0.6
Management Analyst 5	91,524	1.5	1.5	1.5	1.1	0.3
Paralegal 2	71,520					
Senior Investigator-Seattle	98,532	3.0	3.0	3.0	2.3	0.8
Total FTEs		13.5	13.5	13.5	9.7	2.9

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Consumer Protection Division (CPR)	3,772,000	3,772,000	7,544,000	5,521,000	1,749,000
Total \$	3,772,000	3,772,000	7,544,000	5,521,000	1,749,000

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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5078 S SB

Title: Firearm industry duties

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: Local governments may choose to file a lawsuit against a firearm industry member(s).
- Key variables cannot be estimated with certainty at this time: The number of lawsuits by jurisdiction.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Kristine Williams	Phone: (564) 669-3002	Date: 03/03/2023
Leg. Committee Contact: Julie Murray	Phone: 786-7711	Date: 02/27/2023
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 03/03/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 03/03/2023

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This legislation requires firearm industry members to establish reasonable controls on certain business practices. Violations are considered to be a public nuisance. The attorney general is authorized to investigate any violations, take enforcement actions, and seek remedies and/or punitive damages.

Sec.1 is a new section stating the legislature's intent.

Sec.2 adds a new section to chapter 7.48 RCW which allows persons who are harmed by unsafe or irresponsible practices of the firearm industry a private right of action under the Consumer Protection Act. Sec. 2 (1) adds definitions to chapter 7.48 RCW which include the definition of 'person' as follows:

(d) "Person" means any natural person, firm, corporation, company, partnership, society, joint stock company, municipality or other political subdivision of the state, or any other entity or association.

Sec.2 (11) allows any person or entity that receives a civil investigative demand and has an objection, protections afforded in RCW 19.86.110(8). This subsection also states that the Attorney General shall not share certain information with law enforcement agencies without the issuance of a search warrant.

Sec.3 adds a new section which states that this act is known as the firearm industry responsibility and gun violence victims' access to justice act.

Sec.4 adds a new section which states that if any provision of the act is held invalid, the remaining acts or provisions are not affected.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This legislation has no impact on local government expenditures due to the local option. There is no way to estimate the number of lawsuits that might be filed by local jurisdictions. With regard to investigations, the Attorney General is prohibited from sharing any compelled civil investigation statements with local law enforcement agencies unless a search warrant is issued for a criminal investigation. The Washington Association of Sheriffs and Police Chiefs does not report a fiscal impact for local governments with regard to investigations.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

This legislation has no impact on local government revenues.

SOURCES

Washington Association of Sheriffs and Police Chiefs (WASPC)