

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1311 E S HB	<b>Title:</b> Credit repair services
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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	.5	102,000	102,000	102,000	.5	102,000	102,000	102,000	.5	102,000	102,000	102,000
<b>Total \$</b>	<b>0.5</b>	<b>102,000</b>	<b>102,000</b>	<b>102,000</b>	<b>0.5</b>	<b>102,000</b>	<b>102,000</b>	<b>102,000</b>	<b>0.5</b>	<b>102,000</b>	<b>102,000</b>	<b>102,000</b>

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
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

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

<b>Prepared by:</b> Cheri Keller, OFM	<b>Phone:</b> (360) 584-2207	<b>Date Published:</b> Final 3/21/2023
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# Judicial Impact Fiscal Note

<b>Bill Number:</b> 1311 E S HB	<b>Title:</b> Credit repair services	<b>Agency:</b> 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: Clinton McCarthy	Phone: 360-786-7319	Date: 03/16/2023
Agency Preparation: Angie Wirkkala	Phone: 360-704-5528	Date: 03/17/2023
Agency Approval: Chris Stanley	Phone: 360-357-2406	Date: 03/17/2023
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 03/17/2023

186,561.00

Request # 250-1

Form FN (Rev 1/00)

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Bill # 1311 E S HB

## **Part II: Narrative Explanation**

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

The engrossed substitute does not change the fiscal impact to the Administrative Office of the Courts or the courts.

This bill amends and adds new sections to RCW 19.134 relating to credit repair services performed by credit services organizations.

### **II. B - Cash Receipts Impact**

### **II. C - Expenditures**

There would be no fiscal impact to the Administrative Office of the Courts or the courts.

## **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.*

NONE

186,561.00

Form FN (Rev 1/00)

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Request # 250-1

Bill # 1311 E S HB

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1311 E S HB	<b>Title:</b> Credit repair services	<b>Agency:</b> 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	0.5	0.5	0.5	0.5	0.5
<b>Account</b>					
General Fund-State 001-1	51,000	51,000	102,000	102,000	102,000
<b>Total \$</b>	51,000	51,000	102,000	102,000	102,000

### 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: Clinton McCarthy	Phone: 360-786-7319	Date: 03/16/2023
Agency Preparation: Amy Flanigan	Phone: 509-456-3123	Date: 03/20/2023
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 03/20/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 03/20/2023

## 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.*

Section 1: Amends RCW 19.134.010, adds definitions.

Section 2: Amends RCW 19.134.020, adds items a credit services organization cannot do.

Section 3: New Section. Requires consumer reporting agency, creditor, or collection agency to communicate with credit services organization unless certain circumstances exist.

Section 4: New Section. Requires credit services organization to redact certain information in written communications.

Section 5: Amends RCW 19.134.040. Requires credit services organization to maintain files for four years.

Section 6: Amends RCW 19.134.050. Requires bold face statement of specified information to consumers.

Section 7: Amends RCW 19.134.060. Requires specific information be included in contract between consumer and credit services organization.

Section 8: Amends RCW 19.134.070. Changes buyer to consumer. This version removes language involving the consumer protection act.

Section 9: Amends RCW 19.134.080. Sets out minimum for damages.

### 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.*

General Fund-State (GF-S) Account 001-1: Attorney General's Office (AGO) Consumer Protection Division (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 (CPR) legal services:

Program Specialist 2 FTE (PS) is needed to handle the review and processing of complaint intake, answering phone calls, and responding to and coordinating constituent correspondence responses.

CPR: Total Seattle workload impact:

FY 2024 and in each FY thereafter: \$51,000 for 0.5 PS.

### 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	51,000	51,000	102,000	102,000	102,000
<b>Total \$</b>			51,000	51,000	102,000	102,000	102,000

#### III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.5	0.5	0.5	0.5	0.5
A-Salaries and Wages	32,000	32,000	64,000	64,000	64,000
B-Employee Benefits	12,000	12,000	24,000	24,000	24,000
E-Goods and Other Services	7,000	7,000	14,000	14,000	14,000
<b>Total \$</b>	51,000	51,000	102,000	102,000	102,000

**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
Management Analyst 5	91,524	0.0	0.0	0.0	0.0	0.0
Program Specialist 2	55,755	0.5	0.5	0.5	0.5	0.5
<b>Total FTEs</b>		0.5	0.5	0.5	0.5	0.5

#### III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Consumer Protection Division (CPR)	51,000	51,000	102,000	102,000	102,000
<b>Total \$</b>	51,000	51,000	102,000	102,000	102,000

### 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:** 1311 E S HB

**Title:** Credit repair services

**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:

### 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: 03/21/2023
Leg. Committee Contact: Clinton McCarthy	Phone: 360-786-7319	Date: 03/16/2023
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 03/21/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 03/21/2023

## **Part IV: Analysis**

### **A. SUMMARY OF BILL**

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

This legislation would narrow the exemption for attorneys from the definition of credit services organization and specifies the conditions in which a reporting agency, creditor, or collection agency does not need to communicate with a credit services organization.

Sec.1 amends RCW 19.134.010 to add definitions which include “regulatory entity” as follows:

(9) “Regulatory entity” means any city, state, or federal agency, department or entity that has the authority to regulate a consumer reporting agency, creditor, or collection agency, or the authority to assist a consumer with submitting, processing, or resolving a complaint, inquiry, or information request concerning a consumer reporting agency, creditor, or collection agency.

Subsection (6)(a) amends the definition of “credit services organization” to clarify that the exemption for attorneys is removed if the principal purpose of the attorney’s practice is to provide credit repair services as described in subsection (6)(a).

Sec.2 amends RCW 19.134.020 to require credit service organizations (CSO) to provide monthly statements to consumers which include the services performed, account status, and copies of letters sent on the consumer’s behalf. Sec.2 is further amended to prohibit certain practices involving communication between CSOs and consumer reporting, creditors, collection agencies or regulatory entities.

Sec.3 adds a new section which specifies the conditions in which a reporting agency, creditor, or collection agency does not need to communicate with a CSO.

Sec.4 adds a new section which requires CSOs to redact certain personal information of consumers when sending communications.

Sec.5 amends RCW 19.134.040 to increase the record retention requirements in RCW 19.134.050 from two years to four years following the termination of the CSO agreement with the consumer.

Sec.6 amends RCW 19.134.050 to add the required information, format, and language which must be included in information statements provided to consumers before the execution of a contract or agreement.

Sec.7 amends RCW 19.134.060 to require CSOs to obtain explicit written approval from the consumer in order to use the consumer’s signature. This section is also amended to limit the term of the agreement to 180 days. CSOs are also required to provide its email address, facsimile number, and website address in addition to its principal business address. Subsection (2) makes certain amendments to the “Notice of Cancellation” notice which shall also be posted on the CSO’s website, if one exists.

Sec.9 amends RCW 19.134.080 to clarify the amount a consumer may receive in damages if a suit is filed.

This legislation would take effect 90 days after adjournment of the session in which the bill is passed.

### **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.

## 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, as written, has no impact on local government revenue.

According to the MRSC, RCW 19.134.070(3) makes violation of the statute a crime. Charter counties, first class cities, and cities organized under the optional municipal code in Title 35A RCW could be “regulatory entities” as defined in the bill because they have the authority to adopt ordinances regulating those types of businesses. If a county or city adopts an ordinance to enforce the provisions of this chapter, it may receive revenue from fines collected. However, there is no requirement in this bill for local governments to enforce this legislation.

### SOURCES

Municipal Research and Services Center (MRSC)

Washington Association of County Officials (WACO)