

Multiple Agency Fiscal Note Summary

Bill Number: 5078 S SB AMH CRJ H1752.1	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	Fiscal note not available					
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	Fiscal note not available											
Office of Attorney General	5.9	2,798,000	2,798,000	2,798,000	1.4	720,000	720,000	720,000	.0	0	0	0
Total \$	5.9	2,798,000	2,798,000	2,798,000	1.4	720,000	720,000	720,000	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	Fiscal note not available								
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	Fiscal note not available								
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	Fiscal note not available								
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: Preliminary 3/30/2023
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Individual State Agency Fiscal Note

Bill Number: 5078 S SB AMH CRJ H1752.1	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	5.9	5.9	5.9	1.4	0.0
Account					
General Fund-State 001-1	1,399,000	1,399,000	2,798,000	720,000	0
Total \$	1,399,000	1,399,000	2,798,000	720,000	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: Jessica Van Horne	Phone: 360-786-7288	Date: 03/29/2023
Agency Preparation: Amy Flanigan	Phone: 509-456-3123	Date: 03/30/2023
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 03/30/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 03/30/2023

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 – New Section. 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, marketing or sale of firearms. 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:

The financial impact of this bill is largely dependent on the level of enforcement action that the Legislature intends for AGO's CPR to take after the law is enacted. Based on this version of the bill CPR assumes to have a leading role in enforcement. Additionally, private litigants will also be able to seek redress under the law. In this role, CPR assumes 2.5 AAG, 1.25 LA, and 1.5 Investigator FTE (INV) for the first two years after the law is enacted (FY 2024 and FY 2025). In FY 2026, CPR assumes 1.0 AAG, 0.5 LA, and 1.0 INV. CPR anticipates a decrease in legal services in FY 2027 and each FY thereafter. Therefore, ongoing costs are not included in this request.

CPR assumes that most entities will comply with the law voluntarily. CPR further assumes that early and targeted

enforcement efforts will secure widespread industry compliance with the law. Additionally, private enforcement will buttress those efforts and address individual violations. In FY 2024 and FY 2025 (each FY), CPR assumes the following direct litigation costs: \$250,000 for expert costs and \$250,000 for electronic document hosting and management, reflecting the more limited scope of anticipated litigation. In FY 2026, CPR assumes \$100,000 for expert costs and \$200,000 for electronic document hosting and management. CPR anticipates a decrease in legal services in FY 2027 and each FY thereafter. Therefore, ongoing costs are not included in this request.

CPR total FTE workload impact for Seattle rates:

FY 2024 – FY 2025 (each FY): \$1,399,000 for 2.5 AAG, 1.25 LA, 1.5 INV, and direct litigation costs of \$500,000.
 FY 2026: \$720,000 for 1.0 AAG, 0.5 LA, 1.0 INV, and direct litigation costs of \$300,000.

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	1,399,000	1,399,000	2,798,000	720,000	0
Total \$			1,399,000	1,399,000	2,798,000	720,000	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	5.9	5.9	5.9	1.4	
A-Salaries and Wages	600,000	600,000	1,200,000	280,000	
B-Employee Benefits	191,000	191,000	382,000	89,000	
C-Professional Service Contracts	250,000	250,000	500,000	100,000	
E-Goods and Other Services	352,000	352,000	704,000	248,000	
G-Travel	6,000	6,000	12,000	3,000	
Total \$	1,399,000	1,399,000	2,798,000	720,000	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
Assistant Attorney General-Seattle	124,635	2.5	2.5	2.5	0.5	
Legal Assistant 3-Seattle	67,044	1.3	1.3	1.3	0.3	
Management Analyst 5	91,524	0.6	0.6	0.6	0.1	
Senior Investigator-Seattle	98,532	1.5	1.5	1.5	0.5	
Total FTEs		5.9	5.9	5.9	1.4	0.0

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Consumer Protection Division (CPR)	1,399,000	1,399,000	2,798,000	720,000	
Total \$	1,399,000	1,399,000	2,798,000	720,000	

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 AMH CRJ H1752.1	Title: Firearm industry duties
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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: 03/29/2023
Leg. Committee Contact: Jessica Van Horne	Phone: 360-786-7288	Date: 03/29/2023
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 03/29/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 03/29/2023

Part IV: Analysis

A. SUMMARY OF BILL

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

This note is on 5078 S SB AMH CRJ H1752.1 and compares it to 5078 S SB.

CHANGES BETWEEN THIS VERSION AND THE PREVIOUS BILL VERSION:

This version of the bill makes technical changes which clarify that the attorney general's authority to investigate and prosecute claims does not preclude a person, defined to include local governments, the right to pursue a private right of action as described in the bill. These changes include:

Sec.2 is amended to add a new subsection (12). This subsection states that the attorney general's authority to investigate violations of this section shall not deny any person's right to bring a private right of action to seek damages or remedies under the Consumer Protection Act.

Sec.2 (14) is amended to provide consistent wording with other savings clauses in the bill.

These changes do not affect the fiscal impacts discussed below.

SUMMARY OF CURRENT BILL:

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.

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)