

Individual State Agency Fiscal Note

Bill Number: 2265 HB	Title: Climbing facilities	Agency: 240-Department of Licensing
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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		1,326,000	1,326,000	840,000	840,000
Total \$		1,326,000	1,326,000	840,000	840,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	4.0	2.0	3.0	3.0
Account					
Business and Professions Account-State 06L-1	0	1,326,000	1,326,000	840,000	840,000
Total \$	0	1,326,000	1,326,000	840,000	840,000

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: John Burzynski	Phone: 360-786-7133	Date: 01/09/2024
Agency Preparation: Gina Rogers	Phone: 360-634-5036	Date: 01/18/2024
Agency Approval: Collin Ashley	Phone: (564) 669-9190	Date: 01/18/2024
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 01/19/2024

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.

Per RCW 43.24.086, the cost of administering professional and business licensing programs must be funded by those industry's licensing fees. Cash receipt impacts are driven by fee increases to satisfy this requirement.

Section 2- New Section

- Provides definitions for “climbing facility”, “climbing facility operator”, “participant”, and “personal protective equipment (PPE)”.
- o “Climbing facilities” do not include those located in amusement parks, carnivals, family entertainment centers, or on public lands.

Section 3 – New Section

- Requires climbing facility operators to hold a license after January 1, 2026 to operate a climbing facility
- Requires DOL to provide application forms and set license fees
 - o All fees must be deposited into the 06L account
- Licenses must be renewed annually and filed with DOL at least 10 days before the expiration date
- Licenses can only be used for the premises/person named on the application and are not transferable unless with written DOL approval
- Licenses must be posted in a conspicuous place in the climbing facility

Section 4 – New Section

- Requires climbing facility operators to:
 - o Maintain a liability insurance policy (in accordance with Section 10)
 - o Comply with indoor climbing industry customs regarding facility operation including:
 - ? Provide orientations (video or in-person) for all participants
 - ? Post rules and warnings in a conspicuous location
 - ? Maintain access control to the facility
 - o Comply with indoor climbing industry customs regarding the operation, inspection, repair, modification, or replacement of manufactured climbing walls or facility-owned PPE
 - ? Inspections of the manufactured climbing walls must be done on a regular periodic basis

Section 5 – New Section

- Requires climbing facility operators to be trained on:
 - o The manufactured climbing wall
 - o Use of climbing facility-owned PPE
 - o Location of all safety equipment
 - o Facility emergency procedures
 - ? Operators cannot supervise participants on the climbing wall until they've received training
- Climbing facility operators shall:
 - o Require participants to meet the responsibilities of Section 6
 - o Issue warnings or penalties to participants who violate Section 6
- Employees shall not work while under the influence of alcohol, cannabis, or a controlled substance

Section 6 – New Section

- Participants shall:
 - o Acknowledge and accept the risks of indoor rock wall climbing
 - o Read all warnings and obey all rules of the climbing facility
 - o Obey all written and oral warnings and instructions of climbing facility operators
 - o Follow instructions for PPE use
 - o Inspect any participant owned PPE prior to each use and replace it as needed
 - o Refrain from actions that may cause or contribute to personal injury or injuries of others
 - o Act in a responsible manner while in the climbing facility

- Participants shall not climb while under the influence of alcohol, cannabis, or a controlled substance
- Section 7 – New Section
- Climbing facilities and their operators shall not be liable for participant injury or death unless they:
 - o Commit an act or omissions that shows willful disregard for participant safety
 - o Intentionally injures a participant
- Section 10 – New Section
- Climbing facilities shall maintain liability insurance no less than \$1 million per occurrence
- Section 11 – New Section
- URBP governs unlicensed practice, issuance/denial of licenses, and licensee discipline
- Section 12 – New Section
- Provides DOL rulemaking authority
- Section 15 – Amends RCW 18.235.020
- (2)(xxi) includes climbing facilities

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	0	1,326,000	1,326,000	840,000	840,000
Total \$			0	1,326,000	1,326,000	840,000	840,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		4.0	2.0	3.0	3.0
A-Salaries and Wages		302,000	302,000	426,000	426,000
B-Employee Benefits		107,000	107,000	156,000	156,000
C-Professional Service Contracts					
E-Goods and Other Services		911,000	911,000	246,000	246,000
G-Travel		6,000	6,000	12,000	12,000
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 \$	0	1,326,000	1,326,000	840,000	840,000

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	48,864		0.5	0.3	0.5	0.5
EMS Band 3	122,400		0.1	0.1	0.1	0.1
Investigator 3	80,112		0.5	0.3	0.5	0.5
Management Analyst 4	86,208		1.0	0.5		
PROFESSIONAL LICENSING REPRESENTATIVE 1	55,224		0.5	0.3	0.5	0.5
PROFESSIONAL LICENSING REPRESENTATIVE 2	67,380		1.2	0.6	1.2	1.2
WMS Band 1	108,000		0.1	0.1	0.1	0.1
WMS Band 2	120,000		0.1	0.1	0.1	0.1
Total FTEs			4.0	2.0	3.0	3.0

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.

Rulemaking is required to establish initial application, renewal, and reinstatement fees for climbing facilities and climbing facility operators and any new rules necessary to implement the provisions of this new chapter.

Individual State Agency Fiscal Note

Agency 240 – Department of Licensing

Bill Number: HB 2265

Bill Title: Climbing facilities

Part 1: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts:

Per RCW 43.24.086, the cost of administering professional and business licensing programs must be funded by those industry's licensing fees. Cash receipt impacts are driven by fee increases to satisfy this requirement.

Revenue	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Business and Professions	06L	-	1,326,000	1,326,000	840,000	840,000
Account Totals		-	1,326,000	1,326,000	840,000	840,000

Estimated Expenditures:

Operating Expenditures	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Business and Professions	06L	-	1,326,000	1,326,000	840,000	840,000
Account Totals		-	1,326,000	1,326,000	840,000	840,000

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.

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- ☒ 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: Linda Hamilton	Phone: (360) 515-8620	Date:
Agency Preparation: Gina Rogers	Phone: (360) 634-5036	Date: 1/18/24
Agency Approval: Collin Ashley	Phone: (360) 634-5384	Date: 1/18/24

Request #	1
Bill #	2265

Part 2 – Explanation

This bill creates a new licensed profession for indoor climbing facilities and sets rules and regulations that facility operators and participants must follow.

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

Section 2- New Section

- Provides definitions for “climbing facility”, “climbing facility operator”, “participant”, and “personal protective equipment (PPE)”.
 - “Climbing facilities” do not include those located in amusement parks, carnivals, family entertainment centers, or on public lands.

Section 3 – New Section

- Requires climbing facility operators to hold a license after January 1, 2026 to operate a climbing facility
- Requires DOL to provide application forms and set license fees
 - All fees must be deposited into the 06L account
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Section 4 – New Section

- Requires climbing facility operators to:
 - Maintain a liability insurance policy (in accordance with Section 10)
 - Comply with indoor climbing industry customs regarding facility operation including:
 - Provide orientations (video or in-person) for all participants
 - Post rules and warnings in a conspicuous location
 - Maintain access control to the facility
 - Comply with indoor climbing industry customs regarding the operation, inspection, repair, modification, or replacement of manufactured climbing walls or facility-owned PPE
 - Inspections of the manufactured climbing walls must be done on a regular periodic basis

Section 5 – New Section

- Requires climbing facility operators to be trained on:
 - The manufactured climbing wall
 - Use of climbing facility-owned PPE
 - Location of all safety equipment
 - Facility emergency procedures
 - Operators cannot supervise participants on the climbing wall until they’ve received training
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 - Require participants to meet the responsibilities of Section 6
 - Issue warnings or penalties to participants who violate Section 6

- Employees shall not work while under the influence of alcohol, cannabis, or a controlled substance

Section 6 – New Section

- Participants shall:
 - Acknowledge and accept the risks of indoor rock wall climbing
 - Read all warnings and obey all rules of the climbing facility
 - Obey all written and oral warnings and instructions of climbing facility operators
 - Follow instructions for PPE use
 - Inspect any participant owned PPE prior to each use and replace it as needed
 - Refrain from actions that may cause or contribute to personal injury or injuries of others
 - Act in a responsible manner while in the climbing facility
- Participants shall not climb while under the influence of alcohol, cannabis, or a controlled substance

Section 7 – New Section

- Climbing facilities and their operators shall not be liable for participant injury or death unless they:
 - Commit an act or omissions that shows willful disregard for participant safety
 - Intentionally injures a participant

Section 10 – New Section

- Climbing facilities shall maintain liability insurance no less than \$1 million per occurrence

Section 11 – New Section

- URBP governs unlicensed practice, issuance/denial of licenses, and licensee discipline

Section 12 – New Section

- Provides DOL rulemaking authority

Section 15 – Amends RCW 18.235.020

- (2)(xxi) includes climbing facilities

2.B - Cash receipts Impact

Revenue	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Business and Professions	06L	-	1,326,000	1,326,000	840,000	840,000
Account Totals		-	1,326,000	1,326,000	840,000	840,000

2.C – Expenditures

Operating Expenditures	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Business and Professions	06L	-	1,326,000	1,326,000	840,000	840,000
Account Totals		-	1,326,000	1,326,000	840,000	840,000

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 process to ensure changes are correctly applied to the system. This involves Project Managers that manage the team that completes the update, business analyst that documents and reviews the system changes, architect services that analyzes how the update could have an effect on other systems or DOL processes, developers who create the change, and testers and quality assurance teams that ensure the update is working correctly.

What IS Will Implement:

- Add one new program and two new licenses to POLARIS licensing system.
- Configure system to allow for online application, renewal, reinstatement, and maintenance of licenses.
- Configure system to provide standard functions for new licenses such as expiration and renewal logic.
- Update system automations and notification templates to include new license types.
- Update system to support licensing and compliance activities of staff.
- Add new license types to Criminal Conviction Screening.
- Configure complaints and compliance functions.
- Add new license types to Public License Search
- Add fees for the new license types.

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.	\$ 27,144	-	122,100	-	-	-	-	122,100
BUSINESS ANALYST	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	\$ 19,836	-	23,800	-	-	-	-	23,800
PROJECT MANAGER	Manage schedule and contracts	\$ 34,452	-	31,000	-	-	-	-	31,000
QUALITY ASSURANCE	Plan and carry out activities to assure project deliverables; e.g. preventative defect activities, align quality measures and business objectives.	\$ 44,892	-	157,100	-	-	-	-	157,100
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.	\$ 19,836	-	11,900	-	-	-	-	11,900
DEVELOPERS	Modify programming and coding to all major systems	\$ 22,968	-	9,200	-	-	-	-	9,200
Trainer	Trains business partners and employees in new system processes and capabilities.	\$ 27,144	-	32,600	-	-	-	-	32,600
Organizational Change Management	Prepares stakeholders for the change and develops strategies to ensure the changes are fully adopted.	\$ 44,892	-	157,100	-	-	-	-	157,100
Project Contingency	Office of the Chief Information Officer designated rate of 10%	\$ 29,824	-	54,500	-	-	-	-	54,500
Totals			-	599,300	-	-	-	-	599,300

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. These indirect costs are shown under object E.

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	-	1,326,000	1,326,000	840,000	840,000
Account Totals		-	1,326,000	1,326,000	840,000	840,000

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	0.0	4.0	2.3	3.0	3.0
Salaries and Wages	-	302,000	302,000	426,000	426,000
Employee Benefits	-	107,000	107,000	156,000	156,000
Goods and Services	-	911,000	911,000	246,000	246,000
Travel	-	6,000	6,000	12,000	12,000
Total By Object Type	-	1,326,000	1,326,000	840,000	840,000

Object E - Description	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
EA - General Office Supplies	-	910	910	1,360	1,360
EB - Phone/Install/Usage	-	3,300	3,300	4,960	4,960
EC - Utilities	-	1,720	1,720	2,580	2,580
ED - Facility/Lease Costs	-	21,770	21,770	32,660	32,660
EE - Repairs, Alterations & Maintenance	-	4,850	4,850	7,280	7,280
EG - Training	-	640	640	960	960
EH - Manage Print Services	-	3,310	3,310	4,980	4,980
EK - Facilities and Services	-	5,040	5,040	7,560	7,560
ER - Contracted Costs	-	145,420	145,420	2,840	2,840
ER - Application Programmers	-	599,300	599,300	-	-
EY - Software Maintenance	-	13,750	13,750	20,620	20,620
EZ - Other Goods & Svcs	-	110,610	110,610	159,360	159,360
Total Goods & Services	-	911,000	911,000	245,000	245,000

Commercial Off the Shelf (COTS): \$145,420 (One Time FY25) \$2,840 (On Going)

The system changes identified above impact an existing COTS product and require modifications by the vendor. The design, development and configuration services are estimated to cost \$143,520.

Application Programmers: \$599,300 (One Time FY25)

- Add one new program and two new licenses to POLARIS licensing system.
- Configure system to allow for online application, renewal, reinstatement, and maintenance of licenses.
- Configure system to provide standard functions for new licenses such as expiration and renewal logic.
- Update system automations and notification templates to include new license types.
- Update system to support licensing and compliance activities of staff.
- Add new license types to Criminal Conviction Screening.
- Configure complaints and compliance functions.
- Add new license types to Public License Search
- Add fees for the new license types.

3.C – FTE Detail

Staffing	Salary	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Customer Service Specialist 2	48,864	0.0	0.5	0.3	0.5	0.5
PROFESSIONAL LICENSING REPRES	55,224	0.0	0.5	0.3	0.5	0.5
PROFESSIONAL LICENSING REPRES	67,380	0.0	1.2	0.6	1.2	1.2
Investigator 3	80,112	0.0	0.5	0.3	0.5	0.5
Management Analyst 4	86,208	0.0	1.0	0.5	0.0	0.0
WMS Band 1	108,000	0.0	0.1	0.1	0.1	0.1
WMS Band 2	120,000	0.0	0.1	0.1	0.1	0.1
EMS Band 3	122,400	0.0	0.1	0.1	0.1	0.1
Total FTE		0.0	4.0	2.3	3.0	3.0

Quantity	Title	Job description	Ongoing or Project
.5	Customer Service Specialist 2	Provides customer service support on phones, email, and written correspondence.	Ongoing
.5	Professional Licensing Rep 1	Processes initial applications, renewals, and reinstatement licensing applications.	Ongoing
.2	Professional Licensing Rep 2	Supervises and oversees day to day operations of a new licensing program and system support.	Ongoing
.1	WMS1	Provides overall program management and ongoing support of a new licensing program.	Ongoing
.1	WMS2	Provides long term goals, strategic direction, and program support.	Ongoing
.1	EMS3	Provides long term goals, strategic direction, and program support.	Ongoing

Central Investigations and Audits Unit:

.5	Professional Licensing Rep 2	Process intake complaints, evaluate for relevancy, provide consumer guidance and direction to the AGO consumer complaints division.	Ongoing
.5	Investigator 3	Conduct investigations associated with complaints filed tied to consumer complaints and/or business entities.	Ongoing

Regulatory Compliance/UCC/Firearms Section:

.5	Professional Licensing Rep 2	Regulatory compliance, facilitate due process, monitoring of sanctions and direction to the AGO consumer complaints division.	Ongoing
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Rulemaking Section:

1	Management Analyst 4	Provides senior level professional analysis; coordinates and conducts rulemaking to implement new changes; support stakeholder outreach; and assists with process and policy development.	12 Month Project
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Part 4 – Capital Budget Impact

None.

Part 5 – New Rule Making Required

Rulemaking is required to establish initial application, renewal, and reinstatement fees for climbing facilities and climbing facility operators and any new rules necessary to implement the provisions of this new chapter.



Ten-Year Analysis

Bill Number 2265 HB	Title Climbing facilities	Agency 240 Department of Licensing
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☐ **No Cash Receipts**
☐ **Partially Indeterminate Cash Receipts**
☐ **Indeterminate Cash Receipts**

Estimated Cash Receipts

Name of Tax or Fee	Acct Code	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031	Fiscal Year 2032	Fiscal Year 2033	2024-33 TOTAL
	06L		1,326,000	420,000	420,000	420,000	420,000	420,000	420,000	420,000	420,000	4,686,000
Total			1,326,000	420,000	420,000	420,000	420,000	420,000	420,000	420,000	420,000	4,686,000
Biennial Totals			1,326,000	840,000		840,000		840,000		840,000		4,686,000

Narrative Explanation (Required for Indeterminate Cash Receipts)

Per RCW 43.24.086, the cost of administering professional and business licensing programs must be funded by those industry's licensing fees. Cash receipt impacts are driven by fee increases to satisfy this requirement.

Agency Preparation: Gina Rogers	Phone: 360-634-5036	Date: 1/18/2024 5:39:17 pm
Agency Approval: Collin Ashley	Phone: (564) 669-9190	Date: 1/18/2024 5:39:17 pm
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 1/19/2024 10:51:53 am