

Multiple Agency Fiscal Note Summary

Bill Number: 2022 2S HB	Title: Construction crane safety
--------------------------------	---

Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of Attorney General	0	0	0	0	0	122,000	0	0	60,000
Department of Labor and Industries	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	122,000	0	0	60,000

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						
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	.0	0	0	0	.5	0	0	122,000	.3	0	0	60,000
Caseload Forecast Council	.0	0	0	0	.0	0	0	0	.0	0	0	0
Board of Industrial Insurance Appeals	Fiscal note not available											
Department of Labor and Industries	4.4	0	0	1,950,000	10.7	0	0	3,218,000	10.7	0	0	3,208,000
Total \$	4.4	0	0	1,950,000	11.2	0	0	3,340,000	11.0	0	0	3,268,000

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	Non-zero but indeterminate cost and/or savings. Please see discussion.								
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
Caseload Forecast Council	.0	0	0	.0	0	0	.0	0	0
Board of Industrial Insurance Appeals	Fiscal note not available								
Department of Labor and Industries	.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	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

--

Prepared by: Anna Minor, OFM	Phone: (360) 790-2951	Date Published: Preliminary 2/14/2024
-------------------------------------	---------------------------------	---

Individual State Agency Fiscal Note

Bill Number: 2022 2S HB	Title: Construction crane safety	Agency: 100-Office of Attorney General
--------------------------------	---	---

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Legal Services Revolving Account-State 405-1				122,000	60,000
Total \$				122,000	60,000

Estimated Operating Expenditures from:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.0	0.0	0.5	0.3
Account					
Legal Services Revolving Account-State 405-1	0	0	0	122,000	60,000
Total \$	0	0	0	122,000	60,000

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.

OFM Contact: Linda Hamilton	Phone: (360) 515-8620	Date: 02/07/2024
Agency Preparation: Chad Standifer	Phone: 3605863650	Date: 02/12/2024
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 02/12/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 02/13/2024

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.

Section 1: New Section – legislative findings.

Section 2: New Section – adding to RCW 49.17 – applying Sections 3 through 10 of the act to construction crane safety.

Section 3: New Section – amending RCW 49.17.400 – statutory definitions.

Section 4: New Section – adding to RCW 49.17 – beginning January 1, 2026, requiring the prime contractor to obtain a permit from the Department of Labor and Industries (L&I) prior to performing work with a tower crane; permit exemptions specified; detailing the permit application process; requiring L&I to conduct a safety permit conference; requiring L&I to issue a permit within five working days of the safety permit conference, and allowing L&I to issue conditional permits; conditions to maintaining permit specified; allowing L&I to deny, suspend, or revoke permits; detailing hearing and appeal rights.

Section 5: New Section – amending RCW 49.17.420 – technical change to the requirements of the crane certification program.

Section 6: New Section – amending RCW 49.17.440 – requiring L&I to adopt rules to implement Sections 3 through 7 of the act, as well as rules for tower crane assembly, disassembly, and reconfiguration; authorizing L&I to set fees in rule to be charged for permits issued under Section 4.

Section 7: New Section – adding to RCW 49.17 – requiring tower crane manufacturers to provide operation instructions.

Section 8: New Section – adding to RCW 36.70B – requiring municipalities to do certain things in relation to worksites containing tower cranes.

Section 9: New Section – adding to RCW 49.17 – creating exemptions from the provisions of the act.

Section 10: New Section – amending RCW 49.17.190 – providing that an employer is guilty of a misdemeanor in relation to tower crane assembly, disassembly and reconfiguration under certain circumstances.

Section 11: New Section – effective date of January 1, 2025.

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.

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is Labor and Industries (L&I). The Attorney General's Office (AGO) Labor and Industries Division (LNI) will bill for legal services rendered.

These cash receipts represent the AGO's authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agency's fiscal note. Appropriation authority is necessary in the AGO budget.

AGO AGENCY ASSUMPTIONS:

L&I will be billed for King County rates:

FY 2026: \$92,000 for 0.3 Assistant Attorney General FTE (AAG) and 0.2 Paralegal 1 FTE (PL1)

FY 2027 to FY 2029: \$30,000 for 0.1 AAG and 0.1 PL1

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:

Legal services associated with the enactment of this bill will begin on January 1, 2025.

Location of staffing is assumed to be in a King County 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 FTE (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 Paralegal 1 FTE (PL1) and 0.4 MA.

1. Assumptions for the AGO Labor and Industries Division (LNI) Legal Services for Department of Labor and Industries (L&I).

The AGO will bill L&I for legal services based on the enactment of this bill.

This bill requires L&I’s Division of Occupational Safety and Health (DOSH) to create and implement a new program to provide permits for the assembly, disassembly, and reconfiguration of cranes. In addition, it requires the DOSH to create an internal hearings process for appeals to denials, suspensions, and revocations of permits, with an ultimate appeal to the Board of Industrial Insurance Appeals (BIIA). The AGO anticipates that the bulk of the legal services will be advice surrounding implementation, for example, rulemaking, advising on the development of policy and the hearings procedures. Assuming a similar number of appeals to other certification and permitting programs within L&I, the AGO anticipate approximately two appeals a year, approximating about 40 hours spent per appeal.

LNI: Total King County workload impact:

FY 2026: \$92,000 for 0.3 AAG and 0.2 PL1

FY 2027 to FY 2029: \$30,000 for 0.1 AAG and 0.1 PL1

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
405-1	Legal Services Revolving Account	State	0	0	0	122,000	60,000
Total \$			0	0	0	122,000	60,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years				0.5	0.3
A-Salaries and Wages				84,000	42,000
B-Employee Benefits				25,000	12,000
E-Goods and Other Services				12,000	6,000
G-Travel				1,000	
Total \$	0	0	0	122,000	60,000

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-King County	135,555				0.2	0.1
Management Analyst 5	95,184				0.1	0.1
Paralegal 1-King County	72,528				0.2	0.1
Total FTEs					0.5	0.3

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Labor & Industries Division (LNI)				122,000	60,000
Total \$				122,000	60,000

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.

Individual State Agency Fiscal Note

Bill Number: 2022 2S HB	Title: Construction crane safety	Agency: 101-Caseload Forecast Council
--------------------------------	---	--

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

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.

OFM Contact: Linda Hamilton	Phone: (360) 515-8620	Date: 02/07/2024
Agency Preparation: Clela Steelhammer	Phone: 360-664-9381	Date: 02/09/2024
Agency Approval: Clela Steelhammer	Phone: 360-664-9381	Date: 02/09/2024
OFM Review: Danya Clevenger	Phone: (360) 688-6413	Date: 02/09/2024

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.

See attached.

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.

None.

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.

See attached.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

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.

2SHB 2022
CONSTRUCTION CRANE SAFETY
101 – Caseload Forecast Council
February 8, 2024

SUMMARY

A brief description of what the measure does that has fiscal impact.

Section 10 Amends RCW 49.17.190 by establishing a new a misdemeanor when an employer allows any person to assemble, disassemble, or reconfigure a tower crane without direct supervision by an assembly/disassembly director or allows a person to act as an assembly/disassembly director who fails to meet qualifications, or does not follow manufacture operations instructions and guidelines or written procedures from a registered structural engineer.

EXPENDITURES

Assumptions.

None.

Impact on the Caseload Forecast Council.

None.

Impacts on beds and supervision.

This bill:

- Establishes a new misdemeanor offense.

The Caseload Forecast Council has no information concerning how many incidents of the newly established misdemeanor may occur, nor any information concerning how such offenses would be sentenced. As such, the Caseload Forecast Council cannot reliably estimate bed impacts resulting from these provisions of the bill.

Impact on prison and jail beds.

However, as a misdemeanor offense, the newly established offense would be punishable by a term of confinement of 0-90 days in jail for individuals sentenced as adults. Therefore, any impact would be on jail beds only.

Impact on local detention and Juvenile Rehabilitation beds.

None, as an employer is assumed to be over the age of 18.

Individual State Agency Fiscal Note

Bill Number: 2022 2S HB	Title: Construction crane safety	Agency: 235-Department of Labor and Industries
--------------------------------	---	---

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	8.7	4.4	10.7	10.7
Account					
Accident Account-State 608-1	0	1,697,000	1,697,000	2,735,000	2,726,000
Medical Aid Account-State 609-1	0	253,000	253,000	483,000	482,000
Total \$	0	1,950,000	1,950,000	3,218,000	3,208,000

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.

OFM Contact: Linda Hamilton	Phone: (360) 515-8620	Date: 02/07/2024
Agency Preparation: Allison Kaech	Phone: 360-902-4530	Date: 02/12/2024
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 02/12/2024
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 02/13/2024

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.

See attached.

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.

See attached.

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.

See attached.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
608-1	Accident Account	State	0	1,697,000	1,697,000	2,735,000	2,726,000
609-1	Medical Aid Account	State	0	253,000	253,000	483,000	482,000
Total \$			0	1,950,000	1,950,000	3,218,000	3,208,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		8.7	4.4	10.7	10.7
A-Salaries and Wages		850,000	850,000	2,076,000	2,076,000
B-Employee Benefits		275,000	275,000	680,000	680,000
C-Professional Service Contracts		255,000	255,000		
E-Goods and Other Services		455,000	455,000	428,000	418,000
G-Travel		15,000	15,000	34,000	34,000
J-Capital Outlays		100,000	100,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	1,950,000	1,950,000	3,218,000	3,208,000

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
Comp Industrial Safety & Health Invest 3	100,008		3.0	1.5	3.0	3.0
Comp Industrial Safety & Health Invest 4	105,616		1.0	0.5	2.0	2.0
Comp Industrial Safety & Health Invest 5	107,712		1.0	0.5	1.0	1.0
Comp Industrial Safety & Health Invest 6	124,932		1.0	0.5	1.0	1.0
Fiscal Analyst 5	74,376		0.7	0.4	0.7	0.7
Program Specialist 3	72,552		1.0	0.5	2.0	2.0
Program Specialist 5	86,208		1.0	0.5	1.0	1.0
Total FTEs			8.7	4.4	10.7	10.7

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

Part II: Explanation

This bill relates to construction crane safety, amends RCW 49.17.400, 49.17.420 and 49.17.440, and 49.17.190 and adds a new section to chapter 49.17 RCW to improve worker and public safety in the assembly, disassembly and reconfiguration of tower cranes.

2SHB 2022 is different from SHB 2022 in that it:

- Delays the effective date of the bill to January 1, 2025.
- Postpones the requirement, until January 1, 2026, for when prime contractors must obtain permits.
- Specifies that a permit may be issued to a prime contractor following the filing of a completed application, compliance with the safety conference and other requirements, payment of the permit fee, and Labor & Industries (L&I) determination that the applicant has met all qualifications.
- Requires L&I to issue a permit within five working days of the safety conference if the application materials and safety conference materials are complete. Provides that if the materials are not complete, the prime contractor must be given a written list of outstanding materials, before leaving the conference. Requires L&I to either issue a permit within five working days of receiving outstanding materials or deny the permit.
- Allows L&I to issue conditional permits, including when specific information is not yet available.
- Provides that the assembly/disassembly director's certification must be included in the permit application beginning either January 1, 2027, or 12 months after an assembly/disassembly director program is approved, whichever is later.

II. A – Brief Description of What the Measure Does that Has Fiscal Impact

Section 4 adds a new section to chapter 49.17 RCW that requires:

- Prime contractors to obtain a permit from Labor & Industries (L&I) prior to performing any work involving the operation, assembly, disassembly or reconfiguration of a tower crane.
- L&I to complete safety permit conferences prior to issuing a permit.

- As part of the permit process, L&I may inspect permitted activities any time, and once a crane is assembled or reconfigured.

Section 6 amends RCW 49.17.440 requiring L&I to adopt rules necessary to implement this bill. L&I may set fees to be charged for permits sufficient to cover the costs for administering section 4 of this bill. Fees will be deposited in the industrial insurance trust funds.

II. B – Cash Receipt Impact

This bill makes it discretionary for L&I to use permit fees to fund the crane permit program. At this time, determining the number of cranes that will be put in service each year is not known and making cash receipts and cost per permit indeterminate.

For fiscal not purposes, this grid allows a range for cash receipts and permit costs under the following assumptions:

- There are 124 tower construction cranes (not including self-erectors) in Washington State.
- Permit fees will be required
- There will be one permit required for each assemble, reconfiguration, disassembly.

Below are some assumptions of potential revenue depending on number of construction cranes put into service:

Tower Cranes	124				
Assume 1 permit for each assembly, reconfiguration and disassembly					
	FY25	FY26	FY27	FY28	FY29
Fiscal Note Costs	-	802,000	1,614,000	1,604,000	1,604,000
Cranes put in service	Permit Cost				
	FY25	FY26	FY27	FY28	FY29
25	-	32,080	64,560	64,160	64,160
50	-	16,040	32,280	32,080	32,080
75	-	10,693	21,520	21,387	21,387
100	-	8,020	16,140	16,040	16,040
124	-	6,468	13,016	12,935	12,935

II. C – Expenditures

Appropriated – Operating Costs

This bill directs L&I to create a tower construction crane permit program. At this time, the department is assuming the process to be as follows:

- L&I will conduct research to validate if a permit is approved or denied by the following:
 - Prior safety violations of the permit applicant and all entities required in the operation, assembly, disassembly, and reconfiguration of the tower crane
 - Written accident prevention programs
 - Safety standards for tower cranes under the WISHA and applicable rules
 - Written job plan
 - Written self-attestation of each crane operator's experience and qualifications, including a copy of the crane operator's license
 - Other application materials
- L&I, prior to a permit being issued, would convene a pre-permit safety permit conference. L&I would be required to include:
 - Permit applicant
 - Assembly/Disassembly director
 - Safety representative for the tower crane distributor or manufacturer
 - Representatives of the employees assembling, disassembling or reconfiguring the tower crane
 - On public works projects – a representative of the governmental entity overseeing the project.
- L&I will deny permit if:
 - The application fails to include all required elements
 - The safety conference is not held in compliance with the requirements or
 - The permit applicant has a record of safety and health violations that indicate the applicant may not be maintaining a safe worksite or operation.

Once the permit is approved, L&I will conduct a safety conference prior to any reconfiguration or disassembly needed. L&I will conduct an inspection of permitted activities once assembled and after each reconfiguration.

In addition, L&I has the authority to suspend or revoke the permit if there is failure to:

- Comply with any requirements or OSHA standards involving tower cranes;
- Notify the department in advance as required;
- Ensure that a safety representative was present during assembly, disassembly, or reconfiguration;
- Immediately correct deficiencies directly affecting the structural integrity of the tower crane, or fails to correct deficiencies directly affecting the safe operation of the tower crane; or
- Refuses L&I entry to a worksite that contains activity for which a permit is required.

The denial, revocation, or suspension of a permit may be appeal to L&I. L&I must hold a hearing within 2 working days of the appeal and issue a decision within 10 business days of hearing.

This bill increases expenditures to the Accident Account, fund 608 and the Medical Aid Account, fund 609. The following assumptions were used to estimate the resources requested to implement this bill.

Staffing

- 1.0 FTE, Compliance Industrial Safety & Health Investigator 5 (CISHI5), permanent, effective July 1, 2024. Duties include supervising one CISHI 6 and three CISHI 3 positions. This position is responsible for training, mentoring and supervising CISHIs at lower levels, typically with 2-5 assigned in each workgroup. In some regions, the position may supervise one or more staff at the CISHI-6 level. This expert level position provides assistance to staff in completing highly complex investigations, and investigations of unusual complexity or that pose unusual problems.
- 1.0 FTE, Compliance Industrial Safety & Health Investigator 6 (CISHI6), permanent, effective July 1, 2024. Positions at this level are registered as a professional engineer in

Washington State in accordance with RCW 18.43. This position would provide a higher-level expertise to ensure assembly, disassembly, or reconfiguration of tower cranes comply with industry standards and the manufacturer's instructions. This position would review and interpret engineering diagrams and published recognized and accepted good engineering practices for all permits for assembly, disassembly, and reconfiguration. This position would be the subject matter expert on nationally recognized crane standards to evaluate complex crane operations prior to permitting and throughout the assembly, disassembly, and reconfiguration process.

- 3.0 FTE, Compliance Industrial Safety & Health Investigator 3s (CISHI3), permanent, effective July 1, 2024. These positions will have enforcement authority over non-federal land/tribal worksites and all employers in the state of Washington.
 - Prior to the department issuing a permit, this position is required to conduct a safety permit conference each time an assembly, reconfiguration, or disassembly takes place.
 - Preparation for each conference will take approximately one to two weeks. L&I is expecting the first preparation for a construction crane business safety conference will take longer, up to two weeks, and will reduce over time. L&I will coordinate this pre-permit work with the construction timeline. The CISHI 3 must evaluate and research the following information in order to be in compliance: The previous history of safety and health violations, including those violations under other business identities during the previous seven-year period for the permit applicant and all entities required in the operation and assembly of the tower crane. The potential risks of the procedures, including those addressed in the crane operating manual as well as specific measures to be taken, the permit applicant and all entities required in the operation of assembly. The written accident prevention programs of the permit applicant and all entities involved in the operation of the tower crane. The permit applicant's written job plan as required under RCW 49.17.440. A written self-attestation of each crane operator's experience and qualifications in either the assembly, disassembly, and reconfiguration of the tower crane being assembled, disassembled, or

reconfigured, including an attached copy of the crane operator's license. Other material in the application.

- This position is required to perform an inspection of each crane prior to operating once assembled, reconfigured, and disassembled.
- 1.0 FTE, Program Specialist 5 (PS5), permanent, effective July 1, 2024. This position will manage the Statewide Crane Certification Program processing permits to assemble, disassemble, or reconfigure. This position will also supervise two Program Specialist 3 positions.
- 2.0 FTE, Program Specialist 3s, permanent, effective January 1, 2025. These positions will assist higher-level staff by coordinating all aspects of program services, providing technical assistance and specialized consultation to program participants, staff and outside entities and recommending resolution for complex problems and issues related to the program. Staff will review certification and permit requests for eligibility and issue approved permits.
- 2.0 FTE, Compliance Industrial Safety & Health Investigator (CISHI) 4s, permanent, effective January 1, 2025. The CISHI4s or Regional Hearings Officers (RHO) schedule and conduct informal conferences to hear appeals and negotiate settlement agreements. The proposed legislation allows a denial, suspension, or revocation of a permit to be appealed to L&I. The RHOs will be required to hold a hearing within two working days of the revoked permit holder's appeal.

Information Technology

The expenditure calculations in this fiscal note include changes to the hourly rates for contract technology based on an annual analysis completed by L&I. These changes include rates based on expert skill level and an inflationary factor in all categories. All expenditures in this section are for the 2023-25 biennium.

Contract developers will develop a new IT system to issue and track inspection permits, accept payments, track and manage inspections via an online portal, and track certifications. Software is also required for this effort.

A total of \$605,107 is needed in the 2023-25 biennium for information technology changes. This includes:

- Contractor costs – \$255,107 is needed for 1,613 contractor hours
- Software – \$350,000

Rule making

\$5,000 is needed for two rule making hearings to occur during fiscal year 2025. The average cost of one rule making hearing is \$2,500 (Two hearings X \$2,500 each = \$5,000).

Attorney General

The Attorney General estimates a cost of \$92,000 in FY26 and \$30,000 in each subsequent year.

Indirect Costs

The amount included in this fiscal note for indirect is:

Fund Name		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
608	Accident	0	44,000	55,000	55,000	55,000	55,000
609	Medical Aid	0	10,000	10,000	10,000	10,000	10,000
	Total:	\$0	\$54,000	\$65,000	\$65,000	\$65,000	\$65,000

The department assesses an indirect rate to cover agency-wide administrative costs. Labor and Industries’ indirect rate is applied on salaries, benefits, and standard costs. For fiscal note purposes, the total indirect amount is converted into salary and benefits for partial or full indirect FTEs. Salary and benefits costs are based on a Fiscal Analyst 5 (Range 59, Step G).

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

This legislation would result in rule changes to:

- WAC 296-155 Part L – Cranes rigging, and personnel lifting

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 2022 2S HB

Title: Construction crane safety

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

Cities: Indeterminate expenditure impact as a result of change in demand for jail beds, law enforcement and prosecutor time as a result of new misdemeanor offense; indeterminate expenditure impact as a result of changing permitting processes, providing community notices

Counties: Same as above, but for 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: Number of incidents of new misdemeanor offense that may occur; time required across different jurisdictions to update permitting processes; additional staff time required to provide community notices and number of rounds of permitting and notices required for a given project

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: James Vogl	Phone: 360-480-9429	Date: 02/14/2024
Leg. Committee Contact: Linda Hamilton	Phone: (360) 515-8620	Date: 02/07/2024
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/14/2024
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 02/14/2024

Part IV: Analysis

A. SUMMARY OF BILL

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

This fiscal note analyzes the local government impact of 2SHB 2022, comparing it to the impact of SHB 2022.

CHANGES BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

The street closure permit issuance and notification requirements of section 8 of the proposed second substitute bill would apply to local governments where there are worksites that contain tower cranes. Under the provisions of the previous two bill versions, these requirements would only have applied to municipalities.

Section 11 would specify that the proposed legislation would take effect on January 1, 2025.

SUMMARY OF CURRENT BILL:

Section 8 of the proposed legislation would add a new section to chapter 36.70B RCW, requiring that local governments perform certain actions before tower cranes are assembled, disassembled or reconfigured. These actions include aligning permit issuance for street closures with the definition of assembly/disassembly work zone, issuing street closure permits in a timely manner allowing for sufficient time to safely conduct assembly, disassembly or reconfiguration activities, and providing notice to residents and occupants of buildings within the assembly/disassembly work zone in advance of any assembly, disassembly or reconfiguration of tower cranes.

Section 10 would amend RCW 49.17.190, specifying that an employer that commits certain violations related to the assembly, disassembly or reconfiguration of a tower crane would be guilty of a misdemeanor.

Section 11 would specify that the proposed legislation would take effect on January 1, 2025.

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.

CHANGE IN EXPENDITURE IMPACT BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

The proposed second substitute would extend the permit issuance and notification requirements of section 8 to all local governments. Under the previous bill version, these requirements only applied to municipalities. In the case of worksites in unincorporated areas that would require the closure of county roads for the assembly, disassembly or reconfiguration of a tower crane, the requirements of section 8 would apply to counties, which would incur the same associated costs as municipalities.

EXPENDITURE IMPACT OF CURRENT BILL:

The proposed legislation would have an indeterminate expenditure impact on local governments.

Section 10 would create a new misdemeanor, which could impact local government expenditures on jails and prosecutors. Employers would be assumed not to require public defenders. It is unknown, however, how many cases may result from the creation of the new misdemeanor, or how many people may be sentenced to a term of confinement in jail as a result, so the associated local government expenditure impact is indeterminate.

Misdemeanors are punishable by a term of confinement of no more than 90 days in jail. The 2024 Local Government Fiscal Note Program Criminal Justice Cost Model estimates that the average daily cost to occupy a jail bed is \$145, and the average law enforcement and prosecution costs to process a misdemeanor offense are \$1,367.

The Association of Washington Cities (AWC) indicates that municipalities would incur costs to bring their street closure permitting processes into compliance with the requirements of section 8 of the proposed legislation, however these costs would vary by jurisdiction. Additionally, AWC indicates that municipalities would incur costs as a result of the extra staff

time needed to provide notice to residents or occupants of buildings within assembly and disassembly work zones before any assembly, disassembly or reconfiguration of tower cranes. These costs would vary based on the number of notices required for a given work zone. Finally, AWC indicates that since the provisions of the proposed legislation would require permit issuance and notification each time a tower crane is assembled, reconfigured and disassembled, cities would likely incur the associated costs multiple times over the course of a given project.

In the case of worksites in unincorporated areas that would require the closure of county roads for the assembly, disassembly or reconfiguration of a tower crane, the requirements of section 8 would apply to counties, which would incur the same associated permitting compliance and staff time costs as municipalities.

It is unknown how much additional staff time for providing notices, or how many rounds of permitting and community notices may be required for a given project. Additionally, it is unknown how many worksites with tower cranes may be located in municipalities compared to unincorporated areas, although it is reasonable to assume that a majority of such sites would be located in municipalities. Accordingly, the magnitude of these expenditure impacts and their distribution between cities and counties is indeterminate.

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.

The proposed legislation would have no impact on local government revenues.

SOURCES:

Association of Washington Cities

Local Government Fiscal Note Program Criminal Justice Cost Model, 2024

Washington State Caseload Forecast Council



Multiple Agency Ten-Year Analysis Summary

Bill Number 2022 2S HB	Title Construction crane safety
----------------------------------	---

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

Estimated Cash Receipts

Office of Attorney General	0	0	0	0	0	0	0	0	0	0	0
Caseload Forecast Council	0	0	0	0	0	0	0	0	0	0	0
Department of Labor and Industries Indeterminate Impact	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0



Ten-Year Analysis

Bill Number 2022 2S HB	Title Construction crane safety	Agency 100 Office of Attorney General
----------------------------------	---	---

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

Name of Tax or Fee	Acct Code												
--------------------	-----------	--	--	--	--	--	--	--	--	--	--	--	--

Agency Preparation: Chad Standifer	Phone: 3605863650	Date: 2/12/2024 9:38:53 pm
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 2/12/2024 9:38:53 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 2022 2S HB	Title Construction crane safety	Agency 101 Caseload Forecast Council
----------------------------------	---	--

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**

Name of Tax or Fee	Acct Code												
---------------------------	------------------	--	--	--	--	--	--	--	--	--	--	--	--

Agency Preparation: Clela Steelhammer	Phone: 360-664-9381	Date: 2/9/2024 9:29:18 am
Agency Approval: Clela Steelhammer	Phone: 360-664-9381	Date: 2/9/2024 9:29:18 am
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 2022 2S HB	Title Construction crane safety	Agency 235 Department of Labor and Industries
----------------------------------	---	---

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											
Total												

Biennial Totals

Narrative Explanation (Required for Indeterminate Cash Receipts)

This bill makes it discretionary for L&I to use permit fees to fund the crane permit program. At this time, determining the number of cranes that will be put in service each year is not known and making cash receipts and cost per permit indeterminate.

Agency Preparation: Allison Kaech	Phone: 360-902-4530	Date: 2/12/2024 3:39:36 pm
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 2/12/2024 3:39:36 pm
OFM Review:	Phone:	Date: