

# Department of Revenue Fiscal Note

<b>Bill Number:</b> 2430 HB	<b>Title:</b> Business licensing fees	<b>Agency:</b> 140-Department of Revenue
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## Part I: Estimates

No Fiscal Impact

**Estimated Cash Receipts to:**

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

**Estimated Expenditures from:**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1	2.6	1.3	1.4	1.4
<b>Account</b>					
Business License Account-State 03N-1	15,400	222,800	238,200	218,600	218,600
<b>Total \$</b>	15,400	222,800	238,200	218,600	218,600

**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.

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## 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.*

Note: This fiscal note reflects a revision to the expenditure impact, and replaces fiscal note number 2430-1.

#### CURRENT LAW:

No business license handling fee waivers exist for businesses that experience emergencies or disasters.

#### PROPOSAL:

This bill requires the Department of Revenue (department) to waive the business license application handling fee and the delinquent filing fee and only charge one renewal handling fee for businesses with a business license lapse caused by the business being unable to operate due to an emergency or disaster.

To qualify for the fee waivers, a business cannot engage in business without an active business license. In writing, the business must notify the department that it cannot operate due to an emergency or disaster.

The act applies prospectively only and applies to business licenses renewed after the bill's effective date.

#### EFFECTIVE DATE:

The bill takes effect 90 days after the final adjournment of the session.

### 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.*

#### ASSUMPTIONS:

- The department cannot predict when emergencies or disasters will cause a business to be unable to operate and cause a lapse in a business license.
- The number of business licensees impacted could vary greatly depending on the location and size of the emergency or disaster.

#### REVENUE ESTIMATES:

The revenue impact of this bill is indeterminate but assumed to be minimal.

### 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.*

#### ASSUMPTIONS:

- The number of business licensees impacted could vary greatly depending on the location and size of the emergency or disaster.
- This expenditure estimate may greatly understate the costs to the department for a statewide or long-duration emergency or disaster, impacting a significant number of the businesses licensed with the department.

#### FIRST YEAR COSTS:

The department will incur total costs of \$15,400 in fiscal year 2024. These costs include:

Labor Costs – Time and effort equate to 0.09 FTE.

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- Create a Special Notice and update information on the department's website.

Object Costs - \$4,500.

- Computer system changes, including contract programming.

**SECOND YEAR COSTS:**

The department will incur total costs of \$222,800 in fiscal year 2025. These costs include:

Labor Costs – Time and effort equate to 2.57 FTEs.

- Amend one administrative rule.
- Answer additional phone calls at the Telephone Information Center.
- Respond to waiver requests, web messages, and email inquiries.
- Examine accounts and make corrections as necessary.

Object Costs - \$4,000.

- Phone agent seat licenses.

**ONGOING COSTS:**

Ongoing costs for the 2025-27 biennium equal \$218,600 and include similar activities described in the second-year costs. Time and effort equate to 1.4 FTEs.

**Part III: Expenditure Detail**

**III. A - Expenditures by Object Or Purpose**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1	2.6	1.3	1.4	1.4
A-Salaries and Wages	6,800	120,800	127,600	135,400	135,400
B-Employee Benefits	2,200	39,800	42,000	44,800	44,800
C-Professional Service Contracts	4,500		4,500		
E-Goods and Other Services	1,300	44,500	45,800	29,800	29,800
J-Capital Outlays	600	17,700	18,300	8,600	8,600
<b>Total \$</b>	<b>\$15,400</b>	<b>\$222,800</b>	<b>\$238,200</b>	<b>\$218,600</b>	<b>\$218,600</b>

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
CUSTOMER SERV SP3	45,552		1.0	0.5		
CUSTOMER SERV SP4	50,088		0.1	0.1		
EMS BAND 4	131,684		0.0	0.0		
MGMT ANALYST4	76,188		0.0	0.0		
TAX INFO SPEC 1	46,596		1.0	0.5	1.0	1.0
TAX INFO SPEC 2	50,088		0.3	0.2	0.3	0.3
TAX INFO SPEC 3	61,056		0.1	0.1	0.1	0.1
TAX POLICY SP 2	78,120	0.1	0.0	0.0		
TAX POLICY SP 3	88,416	0.0	0.0	0.0		
TAX POLICY SP 4	95,184		0.0	0.0		
WMS BAND 2	98,456	0.0		0.0		
WMS BAND 3	111,992		0.0	0.0		
<b>Total FTEs</b>		<b>0.1</b>	<b>2.6</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>

**III. C - 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

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

Should this legislation become law, the department will use the expedited process to amend WAC 458-02-200, titled: "Business licensing service—Applications, licenses, renewals—Fees." Persons affected by this rulemaking would include businesses that renew their business license and meet the waiver criteria.