

# SENATE BILL REPORT

## SB 6452

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As Reported By Senate Committee On:  
Labor, Commerce & Financial Institutions, January 31, 2002

**Title:** An act relating to master license system fees.

**Brief Description:** Giving the director of the department of licensing authority to adopt master application fees by rule.

**Sponsors:** Senators Prentice and Haugen; by request of Department of Licensing.

**Brief History:**

**Committee Activity:** Labor, Commerce & Financial Institutions: 1/22/02, 1/31/02 [DP, DNP].

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### SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

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**Majority Report:** Do pass.

Signed by Senators Prentice, Chair; Keiser, Vice Chair; Fairley, Franklin, Gardner, Rasmussen and Regala.

**Minority Report:** Do not pass.

Signed by Senators Benton, Deccio, Hochstatter and Honeyford.

**Staff:** Matthew Adams (786-7784)

**Background:** The Business License Center within the Department of Licensing is responsible for registering and licensing Washington's businesses. In order to provide an efficient means of issuing and renewing master business licenses, the center administers a computer system capable of storing, retrieving, and exchanging license information. The center also provides a license information service detailing the requirements to establish and engage in business in this state.

In 1983, the Legislature established a fee policy for the Department of Licensing which requires members of professions, occupations, and businesses to bear the costs of licensing programs. The Director of the Department of Licensing has the authority to establish the amount of fees associated with licensing and regulating businesses, except health professions. Fees must be adopted by rule, and they must reflect actual program costs.

In 1992, the Legislature created the Master License Fund to operate the Business License Center. The revenue for the Master License Fund comes directly from master license applicants through fees charged for license application and renewal. The fee rates are statutorily set at \$15 for each master license application and \$9 for each renewal application.

**Summary of Bill:** The Department of Licensing must collect an application handling fee from each applicant for a master license and from each licensee for a master license renewal.

The handling fee is not refundable to the applicant or licensee after the application has been processed by the department.

Amounts for master application handling fees are no longer set by statute. Instead, the Director of the Department of Licensing is authorized to adopt fees by rule in accordance with the state's fee policy for professions, occupations, and businesses. All of the revenue generated from handling fees must be deposited into the Master License Fund.

The Director of the Department of Licensing may take action before the effective date to adopt rules for setting fees and administering the master license system.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on September 1, 2002.

**Testimony For:** Current operating costs are beginning to consume the balance in the Master License System fund. Through the WAC rule-making process, businesses that must pay fees will be able to deliberate directly with DOL on any fee increases and their impacts.

**Testimony Against:** None.

**Testified:** Nancy Skewis, DOL.