

# HOUSE BILL REPORT

## HB 1716

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### As Passed Legislature

**Title:** An act relating to creating the construction registration inspection account as a dedicated account to fund contractor registration and compliance, manufactured and mobile homes, recreational and commercial vehicles, factory built housing and commercial structures, elevators, lifting devices, and moving walks.

**Brief Description:** Creating the construction registration inspection account as a dedicated account to fund contractor registration and compliance, manufactured and mobile homes, recreational and commercial vehicles, factory built housing and commercial structures, elevators, lifting devices, and moving walks.

**Sponsors:** Representatives Hudgins and Manweller; by request of Department of Labor & Industries.

#### **Brief History:**

##### **Committee Activity:**

Labor & Workplace Standards: 2/6/17, 2/13/17 [DP];

Appropriations: 2/23/17 [DP].

##### **Floor Activity:**

Passed House: 3/8/17, 97-0.

Passed House: 6/29/17, 94-0.

Passed Senate: 6/29/17, 48-0.

Passed Legislature.

#### **Brief Summary of Bill**

- Creates a dedicated account for the Department of Labor and Industries' conveyance, factory assembled structures, and contractor registration programs.
- Specifies that fines and penalties must be deposited in the State General Fund.
- Requires that, until June 30, 2023, 7 percent of revenues received into the new account must be transferred to the State General Fund each quarter.

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### HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Majority Report:** Do pass. Signed by 4 members: Representatives Sells, Chair; Gregerson, Vice Chair; Doglio and Frame.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Manweller, Ranking Minority Member; McCabe, Assistant Ranking Minority Member; Pike.

**Staff:** Joan Elgee (786-7106).

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass. Signed by 32 members: Representatives Ormsby, Chair; Robinson, Vice Chair; Chandler, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Stokesbary, Assistant Ranking Minority Member; Bergquist, Buys, Caldier, Cody, Condotta, Fitzgibbon, Haler, Hansen, Harris, Hudgins, Jinkins, Kagi, Lytton, Manweller, Nealey, Pettigrew, Pollet, Sawyer, Schmick, Senn, Springer, Sullivan, Taylor, Tharinger, Vick, Volz and Wilcox.

**Staff:** Jordan Clarke (786-7123).

### **Background:**

Regulatory programs within the Department of Labor and Industries (Department) include elevator, factory assembled structures, and registered contractor programs. Various fees are collected through these programs. For example, the Department imposes a fee for the required inspection of an elevator installation and for a person to register as a contractor. In addition, the Department may impose penalties on individuals who violate the requirements for each program. A person who alters a mobile home without obtaining a permit, for example, may be fined.

Fees and penalties from the programs are deposited into the State General Fund, and the Legislature appropriates funds to cover the enforcement and administrative costs of these programs.

### **Summary of Bill:**

The Construction Registration Inspection Account (Account) is created. All revenues generated from elevator, factory assembled structures, and contractor registration programs, except fines and penalties, must be deposited in the Account. Fees deposited into the Account must be set at a level as near as practicable to the appropriation amount to support the operations of the three programs, and monies in the Account may only be spent for program activities and after appropriation. Fines and penalties from the three programs are deposited in the State General Fund. In addition, until June 30, 2023, 7 percent of revenues received into the Account, net of refunds paid to customers, must be transferred into the State General Fund quarterly.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect on July 1, 2017.

**Staff Summary of Public Testimony (Labor & Workplace Standards):**

(In support) The bill is an effort to separate fees generated by the programs from the State General Fund. An appropriation would still be needed. Historically, about 7 percent of fees have gone to the State General Fund, so that distribution is retained for six years. Fines and penalties go to the State General Fund because the programs should not benefit from enforcement.

(Opposed) None.

**Staff Summary of Public Testimony (Appropriations):**

(In support) The elevator, contractor registration, and factory assembled structure programs are fee-supported. The connection between the fees paid and the program is clouded when the programs are funded from the General Fund. The bill supports transparency and accountability while retaining legislative control. The General Fund would not be affected.

(Opposed) None.

**Persons Testifying (Labor & Workplace Standards):** Tammy Fellin, Department of Labor and Industries; and Jim King, Washington State Heating, Ventilation and Air Conditioning Industry Association.

**Persons Testifying (Appropriations):** Tammy Fellin, Department of Labor and Industries; and Jim King, Washington State Heating, Ventilation and Air Conditioning Industry Association.

**Persons Signed In To Testify But Not Testifying (Labor & Workplace Standards):** None.

**Persons Signed In To Testify But Not Testifying (Appropriations):** None.