

SENATE BILL REPORT

HB 1716

As of Second Reading

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: Passed House: 3/08/17, 97-0; 6/29/17, 94-0.

Committee Activity: Commerce, Labor & Sports: 3/23/17 [DP-WM].
Ways & Means: 4/04/17 [DP].

Brief Summary of Bill

- Establishes a dedicated account for the Department of Labor and Industries' elevator, factory-assembled structures, and contractor registration programs.

SENATE COMMITTEE ON COMMERCE, LABOR & SPORTS

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Baumgartner, Chair; Keiser, Ranking Minority Member; Conway, Hasegawa, King, Rossi, Saldaña and Wilson.

Staff: Jarrett Sacks (786-7448)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

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.

Signed by Senators Braun, Chair; Brown, Vice Chair; Rossi, Vice Chair; Honeyford, Vice Chair, Capital Budget ; Ranker, Ranking Minority Member; Rolfes, Assistant Ranking Minority Member, Operating Budget; Frockt, Assistant Ranking Minority Member, Capital Budget; Bailey, Becker, Billig, Carlyle, Conway, Darneille, Fain, Hasegawa, Keiser, Miloscia, Padden, Pedersen, Rivers, Schoesler, Warnick and Zeiger.

Staff: Daniel Masterson (786-7454)

Background: The Department of Labor and Industries (L&I) regulates elevators, factory-assembled structures, and construction contractors. Inspection, permit, and registration fees are collected through all three programs, and L&I can impose penalties on individuals for violations of program rules and regulations. Fees and penalties from the programs are deposited into the state General Fund, and L&I gets a general fund appropriation each biennium to cover the enforcement and administrative costs of the programs.

Summary of Bill: The Contractor Registration Inspection account (Account) is created in the State Treasury. All revenues generated from the elevator, factory-assembled structures, and contractor registration programs, except fines and penalties, are deposited into the Account. Fines and penalties from the three programs are deposited into the state General Fund.

L&I must set fees deposited into the Account at a level to generate revenue that is as near as practicable to the amount appropriated by the Legislature, and monies in the Account may only be spent after appropriation. Until June 30, 2023, 7 percent of the revenues received into the Account must be transferred into the state General Fund quarterly.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony (Commerce, Labor & Sports): PRO: These programs are fee supported and those who pay the fee are doing so to get a service in return. Creating a dedicated account ensures that demands on the General Fund are not paid for by the fees that are paid for a specific service.

Persons Testifying (Commerce, Labor & Sports): PRO: Tammy Fellin, Labor & Industries.

Persons Signed In To Testify But Not Testifying (Commerce, Labor & Sports): No one.

Staff Summary of Public Testimony (Ways & Means): PRO: The fees relating to these programs are collected in exchange for a service provided by the Department. The new account would still be appropriated by the Legislature.