

SENATE BILL REPORT

SB 5554

AS REPORTED BY COMMITTEE ON WAYS & MEANS, FEBRUARY 28, 1991

Brief Description: Changing the disposition of professional license fees.

SPONSORS: Senators Cantu, Gaspard, L. Smith, Owen and Anderson.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5554 be substituted therefor, and the substitute bill do pass.

Signed by Senators McDonald, Chairman; Bailey, Bauer, Bluechel, Cantu, Gaspard, Hayner, Johnson, L. Kreidler, Metcalf, Murray, Newhouse, Niemi, Owen, Rinehart, L. Smith, Talmadge, West, and Williams.

Staff: Mary Poole (786-7715)

Hearing Dates: February 26, 1991; February 28, 1991

BACKGROUND:

The Department of Licensing is charged with establishing all fees associated with licensing or regulation of non-health professions administered by the department. Fees typically are set at a rate which will generate enough revenue to cover the costs associated with professional board activities, department overhead, the administration of exams, and other administrative functions. Current law establishes that the cost of each professional licensing program shall be borne by the members of that profession.

A portion of the fees raised for two professions, professional engineers and real estate brokers and salespersons, is diverted to the general fund. Specifically, the general fund receives 20 percent of the total revenue collected from professional engineers' fees, and \$5 per each license fee and each renewal fee paid by members of the real estate profession. All other monies which are not dedicated to the general fund are deposited into either the professional engineers' account or the real estate commission account.

Interest on all professional accounts, including the professional engineers' account and the real estate commission account, is deposited into the general fund.

SUMMARY:

The requirement that \$5 from each license fee and each renewal fee received from a member of the real estate profession be placed in the general fund is removed.

The requirement that 20 percent of all fees collected from members of the professional engineers' account be placed in the general fund is removed.

The requirement that all interest earnings in the professional engineers' account be credited to the general fund is stricken. Interest earnings on this account are credited to the professional engineers' account.

EFFECT OF PROPOSED SUBSTITUTE:

Interest earnings on professional engineers' account will continue to be deposited into the general fund-state. Implementation of the bill is delayed until July 1, 1993. All statutory references to fees and fines related to the professional engineers' account are gathered under one section.

Appropriation: none

Revenue: yes

Fiscal Note: requested

TESTIMONY FOR:

The statutory dedication of a percentage of revenue raised from professional engineers and real estate brokers and salespersons license fees into the general fund required those fees to be set higher than other professional fees. Professional engineers' license fees were just raised to \$70; \$15 of that is deposited into the general fund, rather than in the professional engineers' account which is used to administer the exam and licensing process. Real estate professionals would like to see all money raised through fees retained in the real estate commission account, to be used in continued real estate education. A question was raised about where interest earnings on the professional engineers' account should be deposited. Both affected professions agreed that delaying the effective date would be acceptable.

TESTIMONY AGAINST: None

TESTIFIED: Cliff Webster, Architects & Engineers Legislative Council (pro); Van Anderson, WA Assn of Realtors (pro); Marsha Tadano Long, Alan Rathbun, Syd Becket, DOL (neutral)