

FINAL BILL REPORT

SSB 6461

C 107 L 92

SYNOPSIS AS ENACTED

Brief Description: Providing for self-support for the master license system.

SPONSORS: Senate Committee on Ways & Means (originally sponsored by Senators Snyder, Newhouse, Sellar and von Reichbauer; by request of Department of Licensing)

SENATE COMMITTEE ON WAYS & MEANS

BACKGROUND:

Historically, state agencies responsible for monitoring and distributing business licenses were also in charge of dispensing such licenses. In the 1970s, the master licensing program was created within the Department of Licensing to provide business owners with a convenient, one-stop system of obtaining business licenses.

Currently, applicants for an original master business license pay \$12. A fee of \$5 is assessed for a trade name registration, and a delinquency fee is assessed to businesses failing to renew their master business license by the expiration date. These fees, which are deposited into the state general fund, generate approximately \$1.7 million annually and help support the annual general fund program cost of approximately \$3.3 million.

In the 1991-93 omnibus operating budget, the Legislature reduced the general fund appropriation for the master licensing system and directed the Department of Licensing to collect an equal amount of funding from nine state agencies based upon the relative number of licenses issued by each agency through the master licensing system. The Governor vetoed this proviso, stating that a policy decision would need to be made regarding the long-term funding of this program.

The creation of a master license fund and the proposed revision of fees would generate an additional \$1.7 million in FY 93, raising the annual program revenues to \$3.5 million.

SUMMARY:

A master license fund is created to collect fees from business license applicants and to account for administrative costs for the master license program. The fee for a master original business license application is raised to \$15. A new \$9 fee for license renewals is imposed; a new \$5 fee is imposed for a business license information package; and a new \$2 fee is

imposed for a trade name search. No changes to the trade name registration or delinquency fees are proposed. The current \$10 annual corporate report fee administered by the Secretary of State is eliminated. Revenues from the business license information packets will be deposited in the general fund. All other revenues will be deposited in the master license fund.

VOTES ON FINAL PASSAGE:

Senate	31	12
House	91	6

EFFECTIVE: June 1, 1992 (Sections 1-4, 6 & 8)
July 1, 1992 (Sections 5 & 7)