
Commerce & Labor Committee

HB 1394

Brief Description: Creating the business and professions account.

Sponsors: Representatives Conway, Wood, Condotta and Kenney; by request of Department of Licensing.

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| <p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Creates a dedicated account for fees used to pay for regulating certain professions. |
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Hearing Date: 2/7/05

Staff: Rebekah Ward (786-7106).

Background:

The Department of Licensing Business and Professions Division (Department) oversees the conduct of many businesses and professions, nearly all of which are required to pay fees sufficient to cover the cost of their regulation. For some businesses and professions, regulatory fees are deposited into dedicated accounts. For others, regulatory fees are deposited into the General Fund. Appropriation authority for the General Fund lapses at the end of each fiscal year, while dedicated funds are typically appropriated for an entire biennium.

Under Initiative 601 (I-601), fees may not increase by a percentage greater than the fiscal growth factor for that year without prior legislative approval. In the last two biennia, the Department has received exemptions from this provision of I-601 for fees from businesses and professions whose regulation is required to be self-supporting.

Summary of Bill:

The Business and Professions Account (Account) is created in the State Treasury. Fees for licenses, examinations, and penalties associated with regulating the following businesses and professions are deposited into this account:

- auctioneers;
- landscape architects;
- private investigators;
- bail bond agents;

- employment agencies;
- sellers of travel;
- timeshares;
- cosmetologists, barbers, and manicurists;
- court reporters;
- security guards;
- collection agencies;
- camping resorts; and
- notaries public.

Funds in the Account:

- are to be spent only for the purpose of regulating the businesses and professions from which the fees derive;
- accumulate rather than revert to the General Fund at the end of the biennium; and
- must be appropriated before they can be spent.

Any legal or administrative costs incurred against an individual for action taken under various business and professions licensing statutes shall be reimbursed to the business and professions account, instead of the State General Fund.

Rules Authority: The bill does not contain provisions affecting agency rule making.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill states that it takes effect July 1, 2005.