

# HOUSE BILL REPORT

## EHB 1465

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**As Passed House:**  
March 29, 2016

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

**Brief Description:** Creating a dedicated account for elevators, lifting devices, moving walks, manufactured and mobile homes, recreational and commercial vehicles, factory built housing and commercial structures, and contractor registration and compliance activities.

**Sponsors:** Representatives MacEwen, Hudgins and Ormsby; by request of Department of Labor & Industries.

**Brief History:**

**Committee Activity:**

General Government & Information Technology: 2/3/15, 2/6/15 [DP];

Appropriations: 2/19/15, 2/25/15 [DP].

**Floor Activity:**

Passed House: 3/10/15, 63-35.

**Floor Activity:**

Passed House: 2/10/16, 59-38.

**Floor Activity:**

Passed House: 3/29/16, 70-25.

**Brief Summary of Engrossed Bill**

- Creates a dedicated account for operating the Department of Labor and Industries' elevator, factory assembled structures, and contractor registration programs.
- Specifies that fines and penalties must be deposited in the State General Fund.
- Requires that 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 GENERAL GOVERNMENT & INFORMATION TECHNOLOGY**

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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 7 members: Representatives Hudgins, Chair; MacEwen, Ranking Minority Member; Caldier, Assistant Ranking Minority Member; McCabe, Morris, Senn and Takko.

**Staff:** Derek Rutter (786-7157).

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass. Signed by 25 members: Representatives Dunshee, Chair; Ormsby, Vice Chair; Chandler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Carlyle, Cody, Haler, Hansen, Hudgins, S. Hunt, Jinkins, Kagi, Lytton, MacEwen, Pettigrew, Sawyer, Senn, Springer, Sullivan, Tharinger, Walkinshaw, Fagan and Hunter.

**Minority Report:** Do not pass. Signed by 7 members: Representatives Condotta, Dent, Magendanz, Schmick, Taylor, Van Werven and G. Hunt.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Stokesbary.

**Staff:** Derek Rutter (786-7157).

### **Background:**

The Department of Labor and Industries (Department) regulates many different trades and industries. Three of these are elevator systems, factory assembled structures, and construction contractors. In these industries, the Department inspects elevators, regulates certain aspects of the manufacture of factory assembled structures, such as manufactured homes, commercial coaches, recreational vehicles and factory assembled housing, and registers contractors.

Inspection, permit, or registration fees are collected from all three trades. In addition, the Department can impose penalties on individuals that violate the Department's rules for each industry. These fees and penalties are paid into the State General Fund. From the State General Fund, the Legislature appropriates funds each biennium to cover the enforcement and administration costs of these programs.

### **Summary of Engrossed Bill:**

The Construction Registration Account (Account) is created. All revenues generated from elevator, factory assembled structures, and contractor registration programs, except fines and penalties, are deposited in the Account. Fees deposited into the Account must be set at a level as near as practicable to support the operations of the three programs, and monies in the Account may only be spent for program activities after appropriation. Fines and penalties from the three programs are deposited in the State General Fund. Additionally, 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 takes effect on July 1, 2017.

**Staff Summary of Public Testimony (General Government & Information Technology):**

(In support) This bill is crafted to move an amount of money into the new Account that is as close as possible to the amount appropriated from the State General Fund for these programs over the last three biennia; the impact to the State General Fund is thus as close as possible to zero. The Governor approves this shift.

When, for instance, a building owner requests a permit, the fee for the permit is for a safety inspection. Today, the fee goes into the State General Fund, and the Department then has to compete for the appropriation for the inspection with all the other programs supported by the State General Fund. In the last several biennia, that competition has been intense. This bill shields these programs from that pressure.

The Department has heard that the business community did not want the Department writing additional tickets just to pad its available funding. The bill addresses this concern with the provision requiring fine and penalty revenues to continue going to the State General Fund.

The Department would continue to come to the Legislature for an appropriation, but it feels a dedicated account would " earmark" the funds for the intended programs.

(Opposed) None.

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

(In support) This is agency request legislation. The Department of Labor and Industries has similarly situated programs supported by fees, such as the electrical program, which already have dedicated accounts. This bill would give these programs a dedicated account, as well. This provides additional stability to the programs; having a dedicated account gives the programs an opportunity to receive the full support of the fees they generate when there is a General Fund reduction exercise. Of course, the funds are still subject to appropriation and can be used for these programs or otherwise.

(Opposed) None.

**Persons Testifying (General Government & Information Technology):** Representative MacEwen, prime sponsor; and Tammy Fellin, Department of Labor & Industries.

**Persons Testifying (Appropriations):** Representative MacEwen, prime sponsor; and Tammy Fellin, Department of Labor and Industries.

**Persons Signed In To Testify But Not Testifying (General Government & Information Technology):** None.

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