

Multiple Agency Fiscal Note Summary

Bill Number: 1648 2S HB	Title: Ticket sales
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Licensing	0	0	289,000	0	0	1,084,000	0	0	1,084,000
Total \$	0	0	289,000	0	0	1,084,000	0	0	1,084,000

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Attorney General	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Licensing	2.0	494,000	494,000	783,000	5.1	0	0	1,084,000	5.1	0	0	1,084,000
University of Washington	Fiscal note not available											
Washington State University	Fiscal note not available											
Total \$	2.0	494,000	494,000	783,000	5.1	0	0	1,084,000	5.1	0	0	1,084,000

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
University of Washington	Fiscal note not available								
Washington State University	Fiscal note not available								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

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Prepared by: Kyle Siefering, OFM	Phone: (360) 995-3825	Date Published: Preliminary 3/ 2/2023
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Individual State Agency Fiscal Note

Bill Number: 1648 2S HB	Title: Ticket sales	Agency: 100-Office of Attorney General
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Emily Stephens	Phone: 360-786-7157	Date: 02/27/2023
Agency Preparation: Amy Flanigan	Phone: 509-456-3123	Date: 03/02/2023
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 03/02/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 03/02/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

The AGO Licensing & Administrative Law Division (LAL) has reviewed this bill and determined it will not significantly increase or decrease the division's workload in representing the Department of Licensing (DOL). This bill creates a new license type for DOL. The estimated number of new licenses is 3,500 (assuming a narrow definition of "ticket seller" and "ticket reseller" and that the current exclusions from those definitions would exclude a large number of potential licensees that DOL previously anticipated in the original fiscal note). With a low number of licensees, the number of potential administrative appeals for license denials or disciplinary action is assumed to be nine or less per year. DOL will likely need legal services to develop the content of the new license application as well as for other rulemaking. New legal services are nominal and costs are not included in this request.

The AGO Consumer Protection Division (CPR) has reviewed this bill and determined it will not significantly increase or decrease the division's workload. New legal services are nominal and costs are not included in this request.

The AGO Washington State University (WSU) has reviewed this bill and determined it will not significantly increase or decrease the division's workload. New legal services are nominal and costs are not included in this request.

The AGO University of Washington (UOW) has reviewed this bill and determined it will not significantly increase or decrease the division's workload. New legal services are nominal and costs are not included in this request.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1648 2S HB	Title: Ticket sales	Agency: 240-Department of Licensing
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Business and Professions Account-State 06L-1		289,000	289,000	1,084,000	1,084,000
Total \$		289,000	289,000	1,084,000	1,084,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.5	3.5	2.0	5.1	5.1
Account					
General Fund-State 001-1	194,000	300,000	494,000	0	0
Business and Professions Account-State 06L-1	0	289,000	289,000	1,084,000	1,084,000
Total \$	194,000	589,000	783,000	1,084,000	1,084,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Emily Stephens	Phone: 360-786-7157	Date: 02/27/2023
Agency Preparation: Deb Williams	Phone: 360-902-0015	Date: 03/02/2023
Agency Approval: Gerrit Eades	Phone: (360)902-3863	Date: 03/02/2023
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 03/02/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Please see attached fiscal note.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

Please see attached fiscal note.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Please see attached fiscal note.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	194,000	300,000	494,000	0	0
06L-1	Business and Professions Account	State	0	289,000	289,000	1,084,000	1,084,000
Total \$			194,000	589,000	783,000	1,084,000	1,084,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.5	3.5	2.0	5.1	5.1
A-Salaries and Wages	41,000	167,000	208,000	494,000	494,000
B-Employee Benefits	14,000	79,000	93,000	232,000	232,000
C-Professional Service Contracts					
E-Goods and Other Services	139,000	340,000	479,000	352,000	352,000
G-Travel		3,000	3,000	6,000	6,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	194,000	589,000	783,000	1,084,000	1,084,000

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Customer Service Specialist 2	46,980		1.0	0.5	2.0	2.0
Investigator 2	63,216		0.3	0.2	0.5	0.5
Investigator 4	80,952		0.1	0.1	0.3	0.3
Management Analyst 4	82,896	0.5	0.5	0.5		
Professional Licensing Manager 2	64,788		0.8	0.4	1.5	1.5
WMS	94,992		0.8	0.4	0.8	0.8
Total FTEs		0.5	3.5	2.0	5.1	5.1

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Please see attached fiscal note.

Individual State Agency Fiscal Note

Agency 240 – Department of Licensing

Bill Number: 2SHB 1648

Bill Title: Ticket Sales

Part 1: Estimates

No Fiscal Impact

Estimated Cash Receipts:

Revenue	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Business and Professions	06L	-	289,000	289,000	1,084,000	1,084,000
Account Totals		-	289,000	289,000	1,084,000	1,084,000

Estimated Expenditures:

		FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
FTE Staff Years		0.5	3.5	2.1	5.1	5.1
Operating Expenditures	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
General Fund	001	194,000	300,000	494,000	-	-
Business and Professions	06L	-	289,000	289,000	1,084,000	1,084,000
Account Totals		194,000	589,000	783,000	1,084,000	1,084,000

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions.

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- If fiscal impact is **greater than \$50,000** per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Michelle Rusk	Phone: (360) 786-7153	Date: 1/27/23
Agency Preparation: Deborah Williams	Phone: (360) 634-5083	Date: 3/2/23
Agency Approval: Gerrit Eades	Phone: (360) 902-3931	Date:

Request #	1
Bill #	2SHB 1648

Part 2 – Explanation

2.A – Brief Description Of What The Measure Does That Has Fiscal Impact

The second substitute bill version makes the following changes:

- Removes professional athletic teams and federally recognized tribes from the exempted entities
- Requires ticket sales licensees to register with Department of Revenue and the Secretary of State if their corporate structure requires it
- Adds ticket sales licensees to the Uniform Regulation of Business and Professions (URBP) Act

2.B - Cash receipts Impact

Cash receipts begin at the implementation date for the Ticket Sellers license, January 1, 2025. Per RCW 43.24.150 the business and professions account are self-funded. “All receipts from business or professional licenses, registrations, certifications, renewals, examinations, or civil penalties assessed and collected by the department ... must be deposited into the account.”

Revenue	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Business and Professions	06L	-	289,000	289,000	1,084,000	1,084,000
Account Totals		-	289,000	289,000	1,084,000	1,084,000

If needed to implement this legislation, a one-time assessment would be added to licenses that are funded with dedicated funds, equal to the costs contained in the expenditure section of this fiscal note. The cost allocation model applied to current expenditures is used to establish the revenue breakdown. For efficiency purposes, the department will add inclusion of this one-time assessment per license, to a planned fee rulemaking process in the spring of 2025, with any fee proposed increases to go into effect in June 2025.

2.C – Expenditures

The Department of Licensing (DOL) assumes the following regarding this bill and its fiscal impact.

- Requires ticket sellers to apply for a license with DOL.
- Provides DOL fee-setting and rulemaking authority.
- Requires DOL to maintain records of applicants and licensees.
- DOL must begin issuing these licenses by January 1, 2025
- DOL will conduct necessary system changes to allow for licensing a new profession.
- DOL will intake and investigate complaints, and take administrative action where needed.

DOL estimates the number of licensees impacted has decreased from the original bill based on the exemptions provided in the substitute bill which excludes 10 categories of entities and individuals from licensing. Despite the decrease, DOL still estimates 3500 licensees based on the national counts of ticket sellers. However, we don't have an accurate way to estimate the number of licensees and this estimate

could be much larger to include ticket sellers, ticket resellers, and ticket resale marketplaces and out of state businesses.

The following positions are required to implement this legislation:

- **Customer Service Specialist 2 (CSS2), 2.0 FTE:**
 - answer customer calls and emails,
 - issue licenses and process renewals (ongoing)
- **Professional Licensing Manager 2 (PLM2), 1.5 FTE**

We assume that the intent of this bill is to protect consumers against large-scale incidents. Tacoma Dome contains just over 20,000 stadium seats with a total seating capacity of 23,000. One event could impact up to 23,000 consumers. A pricing incident may trigger 1.0% of ticket purchasers to file a complaint, which would be 230 complaints for one event.

 - supervise CSS2s.
 - answer escalated customer requests.
 - address complex licensing questions.
 - process intake complaints
 - evaluate for relevancy.
 - provide consumer guidance and direction to the AGO consumer complaints division.
 - work with investigators to compile information for legal documents.
 - manage due process activities and administrative action for licensees (ongoing)
- **Washington Management Services (WMS): 0.8 FTE**
 - manage the development and implementation of a new licensing program
 - work with stakeholders
 - establish processes and policies (ongoing)
- **Investigator 2 (INV2): 0.5 FTE**
 - conduct routine inspections to verify that licensees have a WA place of business and their licenses posted.
 - conduct routine investigations tied to consumer complaints (ongoing)
- **Investigator 4 (INV4): 0.3 FTE**
 - supervise and provide escalated regulatory support (ongoing)
- **Management Analyst 4 (MA4): 1.0 FTE, project position**
 - coordinate and conduct rulemaking to implement new licensing program.
 - support stakeholder outreach
 - This is a 12-month project starting January 1, 2024.

Information Services:

The agency will use appropriated funds to hire contract programmers to accomplish this work or to support current staff implementing this legislation within the required timeline. Appropriated funds may also be used to hire agency temporary staff to support permanent staff assigned to this legislative effort.

Any change requires a management process to ensure changes are correctly applied to the system. This involves the following:

- Project Managers that manage the team that completes the update.
- Business analysts that document and review the system changes.
- Architect services that analyze how the update could affect other systems or DOL processes.
- Developers who create the change.
- Testers and quality assurance teams that ensure the update is working correctly.

Information services will implement the following items beginning in May 2024.

- Create a new Ticket Seller business profession in POLARIS.
- Create the ability for applicants to submit applications for new, renewal and reinstatement and request account changes electronically and with paper applications.
- Update the system to allow staff to process applications, issue licenses, and perform compliance activities.
- Create new fees.
- Add a new profession to standard notifications.
- Update scanners to route paper applications to the licensing system.

Cost Category	Description	Rate	2024	2025	2026	2027	2028	2029	Total Cost
TESTER	Test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	\$ 22,620	7,100	42,700	-	-	-	-	49,800
BUSINESS ANALYST	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	\$ 16,530	1,400	8,500	-	-	-	-	9,900
PROJECT MANAGER	Manage schedule and contracts	\$ 28,710	2,100	12,300	-	-	-	-	14,400
QUALITY ASSURANCE	Plan and carry out activities to assure project deliverables; e.g. preventative defect activities, align quality measures and business objectives.	\$ 37,410	9,600	57,700	-	-	-	-	67,300
SECURITY AND ARCHITECT SERVICES	Create the conceptual model that defines the structure, behavior and framework of a computerized system including a breakdown of the system into components, the component interactions and interfaces (including with the environment, especially the user), and the technologies and resources to be used in the design.	\$ 16,530	700	4,300	-	-	-	-	5,000
DEVELOPERS	Modify programming and coding to all major systems	\$ 19,140	800	4,900	-	-	-	-	5,700
Trainer	Trains business partners and employees in new system processes and capabilities.	\$ 22,620	1,900	11,600	-	-	-	-	13,500
Organizational Change Management	Prepares stakeholders for the change and develops strategies to ensure the changes are fully adopted.	\$ 37,410	9,600	57,700	-	-	-	-	67,300
Project Contingency	Office of the Chief Information Officer designated rate of 10%	\$ 25,474	3,300	20,000	-	-	-	-	23,300
Totals			36,500	219,700	-	-	-	-	256,200

An additional amount, \$77,407 is required for information services contracted costs. These costs are for vendor changes to existing information systems.

Support Services:

Agency Administrative Overhead is included at a rate of 23.4 percent of the direct program costs. This funding received covers agency-wide functions such as vendor payments, contract administration, financial management, mail processing, equipment management, help desk support, and technical assistance to DOL employees.

Part 3 – Expenditure Detail

3.A – Operating Budget Expenditures

Operating Expenditures	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
General Fund	001	194,000	300,000	494,000	-	-
Business and Professions	06L	-	289,000	289,000	1,084,000	1,084,000
Account Totals		194,000	589,000	783,000	1,084,000	1,084,000

3.B – Expenditures by Object or Purpose

Object of Expenditure	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
FTE Staff Years	0.5	3.5	2.1	5.1	5.1
Salaries and Wages	41,000	167,000	208,000	494,000	494,000
Employee Benefits	14,000	79,000	93,000	232,000	232,000
Goods and Services	139,000	340,000	479,000	352,000	352,000
Travel	-	3,000	3,000	6,000	6,000
Total By Object Type	194,000	589,000	783,000	1,084,000	1,084,000

3.C – FTE Detail

Staffing	Salary	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Professional Licensing Manager 2	64,788	0.0	0.8	0.4	1.5	1.5
Investigator 2	63,216	0.0	0.3	0.2	0.5	0.5
Investigator 4	80,952	0.0	0.1	0.1	0.3	0.3
WMS	94,992	0.0	0.8	0.4	0.8	0.8
Customer Service Specialist 2	46,980	0.0	1.0	0.5	2.0	2.0
Management Analyst 4	82,896	0.5	0.5	0.5	0.0	0.0
Total FTE		0.5	3.5	2.1	5.1	5.1

Part 4 – Capital Budget Impact

None.

Part 5 – New Rule Making Required

Rulemaking is required for an undetermined number of Washington Administrative Codes.

