

CONCISE EXPLANATORY STATEMENT (CES)

Factory Assembled Structures Fee Increase

WAC 296-150C-3000, Commercial coach fees; WAC 296-150F-3000, Factory-built housing and commercial structure fees; WAC 296-150I-3000, Penalties, fees, and refunds (Manufactured Home Installer Training and Certification Program); WAC 296-150M-3000, Manufactured/mobile home fees; WAC 296-150P-3000, Recreational park trailer fees; WAC 296-150T-3000, Factory-built temporary worker housing fees; and WAC 296-150V-3000, Conversion vendor units and medical units – Fees.

The date of adoption for this rule: September 20, 2022

The effective date for this rule: November 1, 2022

I. Purpose of rulemaking:

The purpose of this rulemaking is to adopt amendments to the Factory Assembled Structures (FAS) rules to increase fees by 5.86%. The fee increase is the maximum allowed by the state Office of Financial Management for fiscal year 2023.

A fee increase is needed to cover the operating expenses of the FAS Program. The current fee levels are insufficient to cover current Program expenses. The increase will ensure that revenues match expenditures, otherwise service levels may need to be reduced.

This rulemaking also adopts a housekeeping amendment to correct a typo for rule clarity.

2. Differences between the rule as adopted and the proposed rule:

There are no differences between the proposed and adopted rules.

3. Comments on proposed rule:

The public comment period for this rulemaking began on June 21, 2022, and ended on July 27, 2022. There were four (4) written comments received for this rulemaking.

A public hearing was held on July 27, 2022, at 9:00 a.m., virtually and by conference call only. Three (3) L&I staff and no other persons attended the public hearing.

Below is a summary of the comments that L&I received and L&I's responses.

General Comments	L&I Responses
Comment #1:	Response #1:
Why do Democrats and Inslee hate the middle class so much? I do not support	Thank you for your comments. The Factory Assembled Structures Program collects

<p>this. There is no justification for this fee increase and will only hurt more citizens with continuous fee increases. Stop killing the middle class.</p>	<p>fees for the public safety services it provides. General state revenues are not used to support the program. The existing fee levels are not adequate to cover the program's expenditures and the fee increase is necessary to cover the costs of doing business.</p> <p>If you have any questions or additional concerns, please feel free to contact Steve Reinmuth, Assistant Director of Field Services & Public Safety, at Steve.Reinmuth@Lni.wa.gov or 360-902-6348.</p>
<p>Comment #2:</p>	<p>Response #2:</p>
<p>I would just like to state my objection to the proposed fee increase for 2023 for manufactured structures. As a food truck owner that went through L&I process previously, I can say it is a hard process to begin with as far as the assumed knowledge you should have and lack of assistance through the process. Now, a huge deterrent to expanding my business to more mobile food trucks is your absurdly long wait times and again lack of assistance and access to resources to help through this tedious process. I do understand that there is a backlog and lack of workers in the industry due to COVID so at the very least it would be most appropriate to NOT raise the fees. I appreciate your time and consideration in this matter.</p>	<p>Thank you for your comments. The fees collected by L&I support the FAS Program and the existing fee levels are not adequate to cover the program's budget. The fee increase is necessary to cover the cost of doing business, otherwise service levels may need to be reduced.</p> <p>Because of staffing challenges the FAS Program has experienced service delays, and we thank you for your patience. The Program is taking steps to improve its processes, reduce wait times, and address the lack of assistance. For example, we now allow some professional engineers and architects to review and approve design plans for us and we have hired additional staff to address the plan review backlog. We are also working to develop additional resources to assist food truck owners and manufacturers. The fee increase will help pay for these improvements.</p> <p>If you have any questions or additional concerns, please feel free to contact Steve Reinmuth, Assistant Director of Field Services & Public Safety, at Steve.Reinmuth@Lni.wa.gov or 360-902-6348.</p>
<p>Comment #3:</p>	<p>Response #3:</p>
<p>I am writing today concerning fee increases for permits, inspections, and fees. I believe that the labor and industries offices are not fully taking into</p>	<p>Thank you for your comments. The fees collected by L&I support the FAS Program to ensure public safety. The existing fee levels are not adequate to cover the</p>

<p>consideration the full economic ramifications of fee increases in the working and lower income classes. The state of Washington legislation is constantly throwing out new rules, regulations, energy credits and other costly building requirements for new construction residential building and commercial projects. While at the same time urging builders to bring costs down for new homebuyers and businesses. It seems like the legislature's of Washington are speaking out of both sides of their mouths. I understand that the cost of living adjustments are higher because of hyperinflation. I understand that fuel has gone up a whopping 120%.</p> <p>I understand that the fed has raised interest at the bank up to 6.5% by use of quantitative easing.</p> <p>I also understand the labor and industries employment dropped significantly due to the coronavirus mandatory vaccine mandate. If we are to expect the economy to push through this upcoming recession, I Believe it is in the best interest of all Washingtonians to keep as many government costs (billed directly to the people and businesses) to stay as low as possible. I don't understand why L&I should be pushing for a raised price on its services operating on lower employment while still performing at its normal level. Now that virtual inspections for electrical work have become a reality, it has had to lower operational costs for LNI (electrical) inspections (no vehicles driving on the road, less vehicular insurance to pay, less vehicles to buy or put on depreciation schedule, less office space to rent since inspectors are now working from home.) it is up the intelligent individuals that go work in the higher levels of the labor and industries office to figure out ways to operate more efficiently and perform at the same level without raising the prices of its services. It can be done. So do it.</p>	<p>program's budget and the fee increase is necessary to cover the cost of doing business, otherwise service levels may need to be reduced.</p> <p>FAS and Electrical are both fee for service programs that have two separate dedicated funds that are managed separately to pay for the costs of each program. State general fund revenues are not used to support either of these public safety programs.</p> <p>The FAS Program is taking steps to improve its efficiency. For example, we have implemented a new system for customers to submit plans electronically. We also have adopted rules to permit a licensed professional to approve design plans for us. To address the backlog of plans we have hired additional plan review staff to reduce wait times. In some cases, we are utilizing remote inspections to reduce travel costs use our inspectors more efficiently.</p> <p>If you have any questions or concerns, please feel free to contact Steve Reinmuth, Assistant Director of Field Services & Public Safety, at Steve.Reinmuth@Lni.wa.gov or 360-902-6348.</p>
<p>Comment #4:</p>	<p>Response #4:</p>
<p>On behalf of the manufacturer and retailer</p>	<p>Thank you for your comment.</p>

members of the Northwest Housing Association, we submit correspondence regarding the Washington State Department of Labor & Industries (L&I) proposing a 5.86% fee increase for permits, inspections, and other services for factory-assembled structures (FAS).

At this time, Northwest Housing Association (NHA) has reviewed the administrative rule making and understands the necessary increase of permit fees to meet the FAS operational needs.

Northwest Housing Association (NHA) understands that the fee increase needed to cover the operating expenses of the FAS Program and that the current fee levels are be sufficient to cover current Program expenses.

NHA recognizes that LNI FAS is able to maintain adequate staffing levels and programming resources to meet permit reviews. We are glad to see that the 2022 hirings are resulting in necessary staffing levels to improve timely permit review and approval timelines.

Thank you for the opportunity to comment and provide association & industry input.

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