

## CONCISE EXPLANATORY STATEMENT (CES)

### Factory Assembled Structures Fee Increase

- Chapter 296-150C WAC, Commercial coaches
- Chapter 296-150F WAC, Factory-built housing and commercial structures
- Chapter 296-150M WAC, Manufactured homes
- Chapter 296-150P WAC, Recreational park trailers
- Chapter 296-150R WAC, Recreational vehicles
- Chapter 296-150T WAC, Factory-built temporary worker housing structures
- Chapter 296-150V WAC, Conversion vendor units and medical units

The date of adoption for this rule: February 4, 2020

The effective date for this rule: March 6, 2020

#### **I. Purpose of rulemaking:**

The purpose of this rulemaking is to increase fees by 5.08% for the Factory Assembled Structures (FAS) program. This is the Office of Financial Management's maximum allowable fiscal growth factor rate for fiscal year 2020.

The Department of Labor & Industries (L&I) evaluated the program's budget and projected revenue for the fiscal year, and determined a fee increase is necessary to support increased operating expenses for required inspections and other public safety activities.

#### **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 December 17, 2019, and ended on January 22, 2020.

L&I accepted written comments through January 22, 2020. L&I received one written comment.

A public hearing was held on January 22, 2020, at 9:00 a.m., at the L&I Headquarters building, 7273 Linderson Way SW, Tumwater, Washington. No persons attended the public hearing.

Below is a summary of the comments the department received and the department's response.

CES, February 2020

General Comments	Department Response
<p>Proposes that the Recreational Vehicle Fees Section, WAC 296-150R-3000, be reviewed for elimination for reasons noted below.</p> <ol style="list-style-type: none"> <li>1. Nearly all Code Reporting States over the last few years have dissolved the RV Code Programs, with Washington being one of the last remaining. The state of Oregon is the latest to eliminate this requirement starting January 1, 2020.</li> <li>2. Adventurer Mfg. is a member of RVIA. As a member of RVIA, products must be manufactured to meet ANSI A119.5 standards. RVIA regularly performs unannounced inspections of completed and in-process product to ensure standards are met. With both RVIA and L&amp;I, this creates a dual expense for inspections and tags to our company and the end customer. This dual cost does not provide added value to the end product.</li> <li>3. RV Manufacturers are being hit with raw material cost increases, minimum wage increases and tariff impacts. These expenses are to a point they can no longer be absorbed and are now being passed to the end customer. Once again, these cost increases do not provide added value to the end customer and the end product.</li> <li>4. The volume of product produced by Adventurer Mfg. and licensed in Washington State is greater than most manufacturers. Both the current cost and the proposed cost both provide a cost burden to the company and do not provide added value to the end customer and the end product.</li> <li>5. For L&amp;I, the resource time saved by eliminating the Recreational Vehicle requirement, can be reallocated towards larger projects that are not dual regulated and will have a greater safety and monetary impact for Washington State.</li> </ol>	<p>Thank you for your written comments on our proposed fee increases for the L&amp;I RV program. Stakeholder feedback is important to us and to the rulemaking process.</p> <p>In your letter of January 20, you expressed two main concerns with the Washington State RV program, the added cost to manufactures and consumers and the observation that the program provides no benefit to consumers. Having previous employment in private industry, I recognize your concerns with cost and value, however there are further considerations to make.</p> <p>Participation by Washington in regulation of the RV industry provides benefits for Washington consumers for a very minor added cost in their RV product. Because of our involvement in the RV industry, staff in the Factory Assembled Structures program are members of the committee for NFPA 1192 Standard on Recreational Vehicles. This national committee is comprised of industry stakeholders including manufacturers, governmental entities, engineers and suppliers. The committee continually reviews and updates the RV standard on a three-year cycle. Through our membership on this committee, Washington has been instrumental in addressing safety concerns raised by new and evolving RV designs. For example, the requirement for guardrails at lofts is part of the current standard because of Washington's advocacy on this issue.</p> <p>We also engage RVIA on interpretation and enforcement of the NFPA 1192 standard. There are frequent cases where we have disagreed with RVIA on RV construction at various factories. In some cases, we have convinced RVIA to adopt our view and in other cases, they convinced us of their view. For example, the installation of electrical panels face up in the seat of a bench.</p> <p>The Washington RV requirements apply to all manufacturers regardless of whether they are manufacturing in Washington or in another state, so they are not a disproportionate impact on Washington manufacturers. Based on our records,</p>

At a minimum, Adventurer Mfg. would like to see the fees held to current rates due to the impacts of line 3 shown above.

Adventurer Mfg. appreciates the opportunity to provide input in reference to the proposed fee increase.

Adventurer Manufacturing submits approximately seven design plans and orders about 150 WA insignia yearly. The additional impact of the 5.08% increase is about \$230 per year. In contrast, some out of state manufacturers are submitting hundreds of plans and ordering thousands of insignias yearly. Based on the above numbers, the direct per unit cost for Washington approval is less than \$35 per RV.

Finally, the Washington RV program has been successful in helping Washington RV consumers get problems and safety issues fixed by manufacturers.

Again, thank you for your comments. At this time, I do not plan to change our proposed fee increase. If you would like to have further discussions of these issues, I would be happy to do so, at your request.