

Multiple Agency Fiscal Note Summary

Bill Number: 5623 SB	Title: Regional transit authority
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Estimated Cash Receipts

Agency Name	2005-07		2007-09		2009-11	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Revenue	(1,090,000)	(1,090,000)	(1,297,000)	(1,297,000)	(1,430,000)	(1,430,000)
Total \$	(1,090,000)	(1,090,000)	(1,297,000)	(1,297,000)	(1,430,000)	(1,430,000)

Local Gov. Courts *						
Local Gov. Other **		(336,000)		(399,000)		(440,000)
Local Gov. Total		(336,000)		(399,000)		(440,000)

Estimated Expenditures

Agency Name	2005-07			2007-09			2009-11		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Total	0.0	\$0	\$0	0.0	\$0	\$0	0.0	\$0	\$0

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

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Prepared by: Doug Jenkins, OFM	Phone: 360-902-0563	Date Published: Revised 3/ 5/2005
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

Department of Revenue Fiscal Note

Bill Number: 5623 SB	Title: Regional transit authority	Agency: 140-Department of Revenue
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2006	FY 2007	2005-07	2007-09	2009-11
GF-STATE-State 01 - Taxes 01 - Retail Sales Tax	(486,000)	(604,000)	(1,090,000)	(1,297,000)	(1,430,000)
Total \$	(486,000)	(604,000)	(1,090,000)	(1,297,000)	(1,430,000)

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
Fund					
Total \$					

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: Ryan Pricco	Phone: 360-786-7465	Date: 02/08/2005
Agency Preparation: Steve Smith	Phone: 360-570-6080	Date: 03/03/2005
Agency Approval: Kim Davis	Phone: 360-570-6087	Date: 03/03/2005
OFM Review: Doug Jenkins	Phone: 360-902-0563	Date: 03/05/2005

Part II: Narrative Explanation

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

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

Note: This fiscal note is based on new industry information. It supercedes fiscal note number 5623-1.

Section 1 contains a finding by the Legislature that clarifies that no sales or use tax will apply to the entire charge paid by regional transit authorities for bus or rail combined operations and maintenance agreements that are provided to such authorities in support of their provision of urban transportation or transportation services.

Section 2 amends RCW 82.04.050 to exclude from the definition of "sale at retail" and "retail sale" the sale of or charge made pursuant to a bus or rail combined operations agreement or maintenance agreement when a regional transit authority is the recipient of the services under the agreement.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

ASSUMPTIONS/DATA SOURCES

Information is from Department of Revenue sources and from financial filings.

It is assumed that this proposal affects one regional transit authority.

It is further assumed that this bill will be effective July 15, 2005, 90 days after the end of the legislative session.

CURRENTLY REPORTING TAXPAYERS (Impact for taxpayers who are known or estimated to be currently paying the tax in question)

The state general fund will lose \$486,000 in FY 2006 and \$604,000 in FY 2007.

Local jurisdictions will lose some \$150,000 in FY 2006.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2006 -	\$ (486)
FY 2007 -	\$ (604)
FY 2008 -	\$ (632)
FY 2009 -	\$ (665)
FY 2010 -	\$ (696)
FY 2011 -	\$ (734)

Local Government, if applicable (cash basis, \$000):

FY 2006 -	\$ (150)
FY 2007 -	\$ (186)
FY 2008 -	\$ (194)
FY 2009 -	\$ (205)
FY 2010 -	\$ (214)
FY 2011 -	\$ (226)

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The Department does not anticipate incurring any costs associated with the implementation of this legislation. The Department will absorb any incidental costs incurred.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years					
Total \$					

Part IV: Capital Budget Impact

NONE.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

No costs.

LOCAL GOVERNMENT FISCAL NOTE

Revised

Department of Community, Trade and Economic Development

Bill Number: 5623 SB	Title: Regional transit authority
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☒ Cities:
- ☒ Counties:
- ☒ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☐ Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

Jurisdiction	FY 2006	FY 2007	2005-07	2007-09	2009-11
City	(52,650)	(65,286)	(117,936)	(140,049)	(154,440)
County	(20,850)	(25,854)	(46,704)	(55,461)	(61,160)
Special District	(76,500)	(94,860)	(171,360)	(203,490)	(224,400)
TOTAL \$	(150,000)	(186,000)	(336,000)	(399,000)	(440,000)
GRAND TOTAL \$					(1,175,000)

Estimated expenditure impacts to:

Jurisdiction	FY 2006	FY 2007	2005-07	2007-09	2009-11
City					
County					
Special District					
TOTAL \$					
GRAND TOTAL \$					0

Part III: Preparation and Approval

Fiscal Note Analyst: Linda Kercher	Phone: 360-725-5038	Date: 03/04/2005
Leg. Committee Contact: Ryan Pricco	Phone: 360-786-7465	Date: 02/08/2005
Agency Approval: Louise Deng Davis	Phone: (360) 725-5034	Date: 03/04/2005
OFM Review: Doug Jenkins	Phone: 360-902-0563	Date: 03/05/2005

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

Sec. 2 amends the definition of sale at retail and retail sale under RCW 82.04.050 to exclude the sale or charge made pursuant to a bus or rail combined operations and maintenance agreement when a regional transit authority is the recipient of the services under the agreement.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

No expenditure impact is expected because collection and administration of sales and use taxes are handled at the taxpayer and state levels.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

Local governments are estimated to lose \$150,000 in FY06 as a result the sales and use tax exemptions resulting from this bill. In FY06, counties could experience a loss of approximately \$21,000, cities, \$53,000, and special districts, \$77,000.

The bill would result in the following loss of sales and use tax revenue for local government, according to the Department of Revenue (DOR):

FY 2006 -- (\$150,000)
FY 2007 -- (\$186,000)
FY 2008 -- (\$194,000)
FY 2009 -- (\$205,000)
FY 2010 -- (\$214,000)
FY 2011 -- (\$226,000)

Distribution of loss among cities, counties and special districts is estimated as the following:

	City	County	Special District*
FY06	(\$52,650)	(\$20,850)	(\$76,500)
FY07	(\$65,286)	(\$25,854)	(\$94,860)
FY08	(\$68,094)	(\$26,966)	(\$98,940)
FY09	(\$71,955)	(\$28,495)	(\$104,550)
FY10	(\$75,114)	(\$29,746)	(\$109,140)
FY11	(\$79,326)	(\$31,414)	(\$115,260)
TOTAL	(\$412,425)	(\$163,325)	(\$599,250)

*Special district refers to both special districts and special purposes, which includes distributions from local sales and use taxes levied by counties, cities and special districts for specific funding purposes. Examples include taxes for transit programs, criminal justice, correctional facilities, sports stadiums, public facilities, and emergency communications.

METHODOLOGY:

The revenue estimates in this note for cities, counties, and special districts are based on DOR data for local sales and use tax distributions for CY 2004. This data shows that, of the total local distributions, cities received 35.1 percent, counties received 13.9 percent, and special districts received 51 percent. The revenue impacts in this note reflect those same percentages.

ASSUMPTIONS:

It is assumed that the amendment to the state B&O tax statute in Section 2 of this bill does not impact mandatory provisions of the local B&O model ordinance, which B&O tax cities are required to adopt.

SOURCES:

Department of Revenue Fiscal Note for SB 5623
Department of Revenue Local Tax Distributions 2004