

Multiple Agency Fiscal Note Summary

Bill Number: 1640 E S HB	Title: Landlord and tenant disputes
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Estimated Cash Receipts

Agency Name	2005-07		2007-09		2009-11	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost. Please see discussion."					
Community, Trade, and Economic Development	0	260,920	0	0	0	0
Total \$	0	260,920	0	0	0	0

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

Estimated Expenditures

Agency Name	2005-07			2007-09			2009-11		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Community, Trade, and Economic Development	1.2	106,221	367,141	.0	0	0	.0	0	0
Total	1.2	\$106,221	\$367,141	0.0	\$0	\$0	0.0	\$0	\$0

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

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Prepared by: Robin Campbell, OFM	Phone: 360-902-0575	Date Published: Final 3/24/2005
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 11720

Individual State Agency Fiscal Note

Bill Number: 1640 E S HB	Title: Landlord and tenant disputes	Agency: 090-Office of State Treasurer
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

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:	Phone:	Date: 03/18/2005
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 03/22/2005
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 03/22/2005
OFM Review: Deborah Feinstein	Phone: 360-902-0614	Date: 03/22/2005

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.

ESHB 1640 creates the manufactured / mobile home investigations account. This new account is abolished on December 31, 2005. Earnings from investments will be credited to the general fund.

Also, the bill directs the State Treasurer to transfer in January 2006 any funds remaining in the manufactured / mobile home investigations account to the mobile home affairs account. Earnings from investments for the mobile home affairs account are credited to the general fund.

Earnings from investments:

The amount of earnings by an account is a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period in question. Accordingly, even with a beginning balance of zero, two accounts with the same overall level of receipts, disbursements, and transfers can have different average balances, and hence differing earnings.

There will be an impact to the earnings; however, the actual earnings will be determined more by the impact to the average daily balance than the amount of increases or decreases in receipts, disbursements, and transfers. Currently, estimated earnings are indeterminable. Without projected monthly estimates of receipts, disbursements, and transfers, OST is unable to estimate the changes to the average balance of the account and the impact to earnings.

Based on the March 2005 Revenue Forecast, the net rate for estimating earnings for FY 05 is 2.19%, FY 06 is 3.04%, and FY 07 is 3.30%. Approximately \$21,900 in FY 05, \$30,400 in FY 06, and \$33,000 in FY 07 in net earnings and \$5,000 in OST management fees would be gained or lost annually for every \$1 million increase or decrease in average daily balance.

Debt Limit:

There may be an impact on the Debt Service Limitation calculation. Any change to the earnings credited to the general fund will change, by an equal amount, General State Revenues.

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.

ESHB 1640 creates the manufactured / mobile home investigations account. This new account is abolished on December 31, 2005. Earnings from investments will be credited to the general fund.

Also, the bill directs the State Treasurer to transfer in January 2006 any funds remaining in the manufactured / mobile home investigations account to the mobile home affairs account. Earnings from investments for the mobile home affairs account are credited to the general fund.

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.

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

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.

Individual State Agency Fiscal Note

Revised

Bill Number: 1640 E S HB	Title: Landlord and tenant disputes	Agency: 103-Community, Trade & Economic Develop
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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
Mobile Home Investigations Account-Non-Appropriated NEW-6	260,920		260,920		
Total \$	260,920		260,920		

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years	2.4	0.0	1.2	0.0	0.0
Fund					
General Fund-State 001-1	106,221	0	106,221	0	0
Mobile Home Investigations Account-Non-Appropriated NEW-6	260,920	0	260,920	0	0
Total \$	367,141	0	367,141	0	0

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:	Phone:	Date: 03/18/2005
Agency Preparation: Donna Regan	Phone: 360-725-2961	Date: 03/24/2005
Agency Approval: Stephen Buxbaum	Phone: 360-725-2912	Date: 03/24/2005
OFM Review: Robin Campbell	Phone: 360-902-0575	Date: 03/24/2005

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.

The purpose of this bill is to provide a less costly and more efficient method than the court system for residents of mobile home parks/manufactured housing communities and their landlords to resolve disputes; and provide a mechanism for state authorities to quickly locate owners of mobile home parks/manufactured housing communities.

Section 1 (3) authorizes the Department of Community, Trade and Economic Development (CTED) to: (a) register mobile home parks or manufactured housing communities and report upon data to the appropriate committees of the legislature by December 31, 2005; (b) expand its current ombudsman program to conduct a greater number of investigations of alleged violations of the manufactured/mobile home landlord-tenant act; (c) collect data related to conflicts and violations and prepare a report to the appropriate committees of the legislature by December 31, 2005.

Assumption: While Section 1 (3)(c) requires CTED to collect and report data related to conflicts and violations, Section 3 (7) states that under no circumstances shall the department make or issue any finding, conclusion, decision, or ruling on whether there was a violation of chapters 59.20 or 19.86. Assume the report to the legislature is to contain a disclaimer stating no part of the report is to be considered a legal finding, conclusion, decision, or ruling.

Sections 3 (1), (3), (4). Agency expenditures will include staff costs to review, investigate and evaluate complaints alleging unfair practices and violations; discuss issues surrounding or relating to the complaint with the complainant, respondent and/or witnesses; explain options; negotiate agreements; require statements be filed.

Section 3 (5), (7), (8), (9). Agency expenditures will include staff costs to hire and train staff to administer the act; track actions and outcomes and compile a written report that documents the process and resolution of each complaint investigated during the specific time period; submit a summary report to the House housing committee and the Senate committee on financial institutions, housing and consumer protection; determine a method to ensure that manufactured housing community owners have notified each community resident of their rights and responsibilities. A toll-free telephone number is currently available and will be included in all notification materials. Agency expenditures include an increase in toll-free line costs.

Section 5 (1). Agency expenditures will include the costs to register all mobile home parks and manufactured housing communities in the state.

Assumption: While Section 6 (2) specifically states CTED is to include information about liens in notifications and Section 6 (3) specifically states CTED is to allow ninety days to pass before lien notices are sent to non-complying owners, it is assumed these sections remain in the bill in error as all other information about issuing liens was removed. Therefore, costs associated with liens and liens notices are not included in this fiscal note.

Section 6. Agency expenditures include the costs to compile an accurate list of mobile home parks and manufactured housing communities in the state and submit it to legislative committees by December 31, 2005. Costs will include obtaining information from local and state agencies; private advocacy associations and organizations; and direct research in local jurisdictions as required. CTED expenditures include costs to notify all park and community owners of the assessments and must include information about late fees and passing costs onto park residents. Agency costs will include expenses to collect the assessments due from all park and community owners, and sending late fee notices to non-complying owners.

Section 7. Agency expenditures include the costs to collect and process registration assessments, and assess late fees at the prevailing interest rate for superior court civil judgments.

Section 11. Except for section 12 of this act, this act expires December 31, 2005.

Section 12. In January 2006, any funds remaining in the manufactured/mobile home investigations account shall transfer to the mobile home affairs account for purposes under 59.22.050.

The fiscal impact of ESHB 1640 differs from SHB 1640 as follows: enforcement actions are removed, rule making authority has been removed, late fines and the annual fee are no longer established by rule, the act expires December 31, 2005, and any funds remaining in the investigations account on December 31, 2005 to be transferred to the mobile home affairs account for the purposes detailed in 59.22.050, the Office of mobile home affairs -- Duties. No rule making reduces staff costs due to no public hearings. No enforcement authority assumes less revenue from fines.

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: Revenue for FY 06 start-up costs is unavailable until specific tasks to generate the revenue have been performed. Due to decreasing manufactured home sales, existing revenue sources for the Office of Manufactured Housing are currently inadequate to fund start-up costs. For the purposes of this fiscal note, start-up costs create a temporary cash deficiency allowable under RCW 43.88.260 (2), however, estimated cash receipts are insufficient for the estimated costs to complete the tasks of this bill and an appropriation from the general fund state is assumed.

Section 7 assumes FY 06 fees due of \$550,000 from the annual fee assessment of an estimated 2,200 park owners for an average of fifty lots per park at the rate of \$5.00 per lot. As this is a temporary act without enforcement provisions, it is assumed only forty percent (880) of the 2,200 park owners will pay the fee resulting in \$220,000 in cash receipts. It is assumed that sixty percent (1,320) of the estimated 2,200 owners will not pay the annual fee on time, and will be assessed late fees at twelve percent, the prevailing interest rate for superior court civil judgments. If the sixty percent that did not pay on time eventually paid their original fee and late fee, the result would be fee assessments of \$330,000 with late fees due of \$39,600. However, it is assumed that only twenty percent of this group will submit their assessments and late fees resulting in receipts of \$66,000 and \$7,920 in late fees. This assumption of payment by sixty percent is based on DSHS who says, of those who owe child support, 60% in Washington pay.

Total estimated FY 06 cash receipts impact includes an initial \$220,000 from forty percent of the estimated 2,200 park owners; \$33,000 from an additional twenty percent of the remaining sixty percent; and \$7,920 paid as late fees.

Total estimated revenue for FY 06 is \$260,920.

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.

Sections 3 (5), (7), (8), and (9). Agency expenditures will include (1) staff costs for training and ongoing work to conduct investigations, negotiate agreements and database tracking of program activities; (2) printing materials and mailing costs; (3) travel for park list compilation, notification site visits and site investigations; (4) one time equipment costs for new staff positions.

Agency expenditures for ESHB 1640 will include staff and materials costs to:

- 1) design and implement program with interested parties
- 2) compile a state-wide park list
- 3) hire and train staff
- 4) notify community/park owners of fee requirements
- 5) develop and implement a state-wide public education campaign
- 6) collect annual assessments and register communities/parks

- 7) design and issue certificates of registration
- 8) deposit annual assessments and late fees and monitor account
- 9) screen, problem solve, research and prepare complainants for notifications to respondents
- 10) investigate to ensure notice is given to each resident and track activities
- 11) investigate alleged violations
- 12) negotiate agreements
- 13) compute and impose late fees
- 14) compile written reports documenting process and resolution of each complaint investigation
- 15) submit a summary report of activities to the house housing committee and the senate committee on financial institutions, housing and consumer protection by December 31, 2005.

Assumptions: The bill contains an emergency clause and takes effect immediately. It is assumed for the purposes of this fiscal note that actions will begin to implement this bill May 1, 2005. Recruitment for staff will start when the bill goes into effect--assume staff to be hired on July 1, 2005.

Assumptions: FY 06 will implement start up activities, including benefits and salaries for 0.2 FTE WMS2, 1 FTE Program Technical Specialist 3 (PTS3), 0.5 FTE Program Coordinator 2 (PC2) and 0.5 FTE Administrative Assistant 2 (AA2); establishing a method to collect park data and customizing an existing database for tracking activities; location and identification of accurate park names and addresses; establishing a billing system; designing public education information for the new requirements and mailings to an estimated 2,200 owners; mediation, negotiation and telephone conciliation training for the PTS3s; and 1 training site visit for the PC2 and all PTS3s. Anticipate a large number of complaints filed resulting in 8 site investigations in mobile home parks per month for 6 months performed by each PTS3, for a total of 96 investigations to December 31, 2005. Total costs include: FTEs 4.4 staff for 6 months equals 2.2 FTEs; Salaries \$109,650; Benefits at 25% of Salaries \$27,412; goods and services for start-up and on-going operations for six months total \$53,966; one time equipment costs total \$28,398; travel costs total \$91,656 and Agency Indirect for FY 06 is \$56,059 and 0.2 FTE.

Total annual expenditures for FY 06 equal \$367,141.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years	2.4		1.2		
A-Salaries and Wages	109,650		109,650		
B-Employee Benefits	27,412		27,412		
C-Personal Service Contracts					
E-Goods and Services	53,966		53,966		
G-Travel	91,656		91,656		
J-Capital Outlays	28,398		28,398		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	56,059		56,059		
Total:	\$367,141	\$0	\$367,141	\$0	\$0

III. B - 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 2006	FY 2007	2005-07	2007-09	2009-11
Administrative Assistant 2	32,544	0.5		0.3		
Program Coordinator 2	49,380	0.5		0.3		
Program Mgr Tech Specialist 3	57,252	1.0		0.5		
Various-100 Agency Administration	41,600	0.2		0.1		
WMS 2	76,200	0.2		0.1		
Total FTE's		2.4		1.2		0.0

III. C - Expenditures By Program (optional)

Program	FY 2006	FY 2007	2005-07	2007-09	2009-11
Agency Administration (100)	56,059		56,059		
Housing (400)	311,082		311,082		
Total \$	367,141		367,141		

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.

None.