

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 3259 E S HB	<b>Title:</b> Port district financing
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## Estimated Cash Receipts

Agency Name	2007-09		2009-11		2011-13	
	GF- State	Total	GF- State	Total	GF- State	Total
<b>Total \$</b>						

Local Gov. Courts *						
Local Gov. Other **	Non-zero but indeterminate cost. Please see discussion.					
Local Gov. Total						

## Estimated Expenditures

Agency Name	2007-09			2009-11			2011-13		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of the Governor	.0	17,103	17,103	.0	21,607	21,607	.0	0	0
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
<b>Total</b>	0.0	\$17,103	\$17,103	0.0	\$21,607	\$21,607	0.0	\$0	\$0

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

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<b>Prepared by:</b> Ryan Black, OFM	<b>Phone:</b> 360-902-0417	<b>Date Published:</b> Final 3/ 4/2008
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\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

FNPID: 20589

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 3259 E S HB	<b>Title:</b> Port district financing	<b>Agency:</b> 075-Office of the Governor
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

FUND					
<b>Total \$</b>					

### Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
<b>Fund</b>					
General Fund-State 001-1	0	17,103	17,103	21,607	0
<b>Total \$</b>	0	17,103	17,103	21,607	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: 02/26/2008
Agency Preparation: Stephanie Lidren	Phone: 360-902-0615	Date: 03/04/2008
Agency Approval: Aaron Butcher	Phone: 360-902-0406	Date: 03/04/2008
OFM Review: Mike Woods	Phone: 360-902-9819	Date: 03/04/2008

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.*

This proposal limits a port district in a county with a population of one million or more from using money derived from banked capacity to pay, secure, or guarantee the payment of principal and interest on general obligation bonds issued after the effective date of the proposal and until July 1, 2010.

The proposal also creates the Government Accountability and Review Committee on Port District Finance, Governance, and Management (committee). The committee shall report on its initial actions to the Governor and appropriate committees of the House of Representatives and Senate by December 1, 2008. The committee shall report its findings and recommendations by December 1, 2009. The section creating the committee expires May 1, 2010.

If passed, the bill is effective 90 days after the end of the session.

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.*

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.*

Sec. 1 and 2: A Port District located in a county with a population of more than one million (Port of Seattle) is prohibited from using levy proceeds or property tax revenues derived from banked levy capacity to pay, secure, or guarantee the payment of principal and interest on general obligation bonds. This prohibition applies only to general obligation bonds issued after the effective date of the bill and remains in place until July 1, 2010.

Sec. 3: A Task Force on Washington Port District Finance and Management is created. Task Force membership includes 1) the members of the House Finance Committee; 2) the members of the Senate Ways and Means Committee; and 3) two members of the Governor’s policy staff, appointed by the Governor. The Task Force Chair and Co-Chairs from among the legislative members.

The Task Force will examine port district financial management policies and tools; financial stewardship practices; and the role and structure of the commission in by port districts located in counties with a population more than one million.

The Task Force will use legislative facilities, expenses will be paid by the House and the Senate, and staff support will be provided by the House office of program research and Senate committee services. Legislative members of the Task Force must be reimbursed for travel expenses.

The Task Force shall report its findings and recommendations to the Governor and the Legislature by December 1, 2010.

ASSUMPTIONS:

- 2 Policy Staff appointed to Task Force.
- 4-5 hour Task Force meetings, held bi-monthly.
- 3-4 hours of travel time, assuming the meetings will be at the Port of Seattle Offices.
- 6 hours per month for research, meetings other than task force meetings, reviewing meeting materials, etc.

- Roundtrip mileage for both policy advisors for each of the task force meetings.

Per Policy Staff:

Task Force Meetings (including travel to Seattle)--8 hours/bi-monthly

7/08-6/09 – 96 hrs

7/09-6/10 – 96 hrs

7/10-12/10 – 48 hrs

Research, meetings, other TF-related work--6 hours/month

7/08-6/09 – 72 hrs

7/09-6/10 – 72 hrs

7/10-12/10 – 36 hrs

Total Hours for 2 Policy Staff – 756

Mileage (\$0.505 per mile) -- 120 mi/rt (6 trips/yr)

Cost Assumptions for 7/08 - 12/10:

Staff time: 756 hours X \$50 = \$37,800

Travel: \$910

### Part III: Expenditure Detail

#### III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
<b>Total:</b>	\$0	\$0	\$0	\$0	\$0

### 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.*

# Department of Revenue Fiscal Note

<b>Bill Number:</b> 3259 E S HB	<b>Title:</b> Port district financing	<b>Agency:</b> 140-Department of Revenue
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## Part I: Estimates

☒ **No Fiscal Impact**

*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: 02/26/2008
Agency Preparation: Valerie Torres	Phone: 360-5706084	Date: 02/27/2008
Agency Approval: Don Gutmann	Phone: 360-570-6073	Date: 02/27/2008
OFM Review: Ryan Black	Phone: 360-902-0417	Date: 02/28/2008

## 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.*

This proposal limits a port district in a county with a population of one million or more from using money derived from banked capacity to pay, secure, or guarantee the payment of principal and interest on general obligation bonds issued after the effective date of the proposal and until July 1, 2010.

The proposal also creates a task force on Washington Port District Finance and Management (task force). The task force shall report on its findings and recommendations to the Governor and appropriate committees of the House of Representatives and Senate by December 1, 2010. The section creating the task force expires May 1, 2011.

If passed, the bill is effective 90 days after the end of the session.

### 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

Department of Revenue property tax data for taxes due in 2007 and King County property tax data for taxes due in 2008

Office of Financial Management, April 2007, Intercensal Population Estimates by year 1990 through 2000 with Estimates for 2001 through 2007

This estimate assumes King County is the only county with a population greater than one million and will continue to be the only county with a population of one million between Fiscal Year 2008 and Fiscal Year 2013.

This estimate also assumes that the future levy capacity - also known as banked capacity - which the port district in King County levied for collection in 2008 will be used for other budgetary items and not used to pay, secure, or guarantee the payment of principal and interest on general obligation bonds issued after the effective date of the proposal.

This proposal is assumed to be effective 90 days after the end of the session.

#### REVENUE ESTIMATES

King County has only one port district which had \$11.6 million in future levy capacity for property taxes collected in 2007. The port district levied \$4.9 million in future levy capacity for collection in 2008 leaving the port district an estimated \$6.7 million in future levy capacity.

The impact to the port district by this restriction is unable to be determined because it is unknown how the port district plans to utilize the collected future levy capacity.

#### TOTAL REVENUE IMPACT:

State Government (cash basis, \$000): none.

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

## 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 of Revenue will not incur any costs with the implementation of this legislation.

## Part III: Expenditure Detail

## 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 rule-making required.

# LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

**Bill Number:** 3259 E S HB

**Title:** Port district financing

## Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

### Legislation Impacts:

- ☐ Cities:
- ☐ Counties:
- ☐ Special Districts:
- ☒ Specific jurisdictions only: Port districts in counties over 1 million population (Port of Seattle in King County)
- ☐ 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: Future port use of banked levy capacity

### Estimated revenue impacts to:

Indeterminate Impact
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### Estimated expenditure impacts to:

Jurisdiction	FY 2008	FY 2009	2007-09	2009-11	2011-13
City					
County					
Special District					
<b>TOTAL \$</b>					
<b>GRAND TOTAL \$</b>					0

## Part III: Preparation and Approval

Fiscal Note Analyst: Gary Reid	Phone: (360) 725 5032	Date: 02/27/2008
Leg. Committee Contact:	Phone:	Date: 02/26/2008
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 02/28/2008
OFM Review: Ryan Black	Phone: 360-902-0417	Date: 02/28/2008



## **Part IV: Analysis**

### **A. SUMMARY OF BILL**

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

#### **DIFFERENCES BETWEEN ENGROSSED SUBSTITUTE AND ORIGINAL BILL:**

The government accountability and review committee on port district finance, governance, and management is replaced by the task force on port district finance and management. This change makes no difference in the local government financial impact of the bill, which is still indeterminate.

#### **ORIGINAL BILL:**

This bill would prohibit until July 1, 2010, a port district in a county with a population over one million persons from using the levy process derived from its banked levy capacity to pay, secure, or guarantee the payment of principal and interest on general obligation bonds issued after the effective date of the act.

The bill amends RCW 84.55.092 and 53.36.030 to accomplish this result.

Section 3 of the bill creates a temporary government accountability and review committee on port district finance, governance, and management with membership drawn exclusively from the Legislature, and with a six-member advisory panel based on recommendations of the governor with representatives of port and local government interests. The committee would report its final findings and recommendations to the governor and Legislature by December 1, 2009, and expire May 1, 2010.

The bill would take effect 90 days after the end of the legislative session, June 12, 2008.

### **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 impacts for local governments in either original, Substitute, or Engrossed Substitute

### **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.*

#### **DIFFERENCES BETWEEN ENGROSSED SUBSTITUTE AND ORIGINAL BILL:**

None that affect local fiscal impact.

#### **ORIGINAL BILL:**

While the Port of Seattle has a banked levy capacity for 2008 of approximately \$6.7 million, it is unknown how the port might use that capacity. Therefore, the Department of Revenue (DOR) estimates that the fiscal impact on the port is indeterminate.

#### **SOURCES:**

Washington Public Ports Association website  
Port of Seattle  
Department of Revenue