

Multiple Agency Fiscal Note Summary

Bill Number: 5645 SB	Title: Local homeless housing
-----------------------------	--------------------------------------

Estimated Cash Receipts

Agency Name	2011-13		2013-15		2015-17	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost. Please see discussion."					
Department of Commerce	0	0	0	19,400,000	0	19,400,000
Total \$	0	0	0	19,400,000	0	19,400,000

Estimated Expenditures

Agency Name	2011-13			2013-15			2015-17		
	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
Department of Commerce	.0	0	0	.0	0	19,400,000	.0	0	19,400,000
Total	0.0	\$0	\$0	0.0	\$0	\$19,400,000	0.0	\$0	\$19,400,000

Estimated Capital Budget Impact

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

Prepared by: Matthew Bridges, OFM	Phone: (360) 902-0575	Date Published: Final
--	---------------------------------	---------------------------------

* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 28284

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 5645 SB	Title: Local homeless housing	Agency: 090-Office of State Treasurer
-----------------------------	--------------------------------------	--

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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: Richard Ramsey	Phone: (360)786-7412	Date: 02/03/2011
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 02/07/2011
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 02/07/2011
OFM Review: Matthew Bridges	Phone: (360) 902-0575	Date: 02/07/2011

Request # 054-1

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.

SB 5645 modifies provisions regarding the local homeless housing and assistance surcharge by maintaining the additional surcharge under RCW 36.22.179 at the thirty dollar level beyond the 2011-13 biennia. Earnings from investments for the home security fund account are credited to the general fund.

Earnings from investments:

Estimated earnings from investments are indeterminable. Without projected cash flows, OST is unable to estimate the 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 daily balances, and hence different earnings.

Based on the November 2010 Revenue Forecast, the net rate for estimating earnings for FY 11 is 0.12%, FY 12 is 0.10%, and FY 13 is 1.63%. Approximately \$1,200 in FY 11, \$1,000 in FY 12, and \$16,300 in FY 13 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.

SB 5645 modifies provisions regarding the local homeless housing and assistance surcharge by maintaining the additional surcharge under RCW 36.22.179 at the thirty dollar level beyond the 2011-13 biennia. Earnings from investments for the home security fund 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

NONE

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.

Individual State Agency Fiscal Note

Bill Number: 5645 SB	Title: Local homeless housing	Agency: 103-Department of Commerce
-----------------------------	--------------------------------------	---

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2012	FY 2013	2011-13	2013-15	2015-17
Home Security Fund Account-State 10B-1				19,400,000	19,400,000
Total \$				19,400,000	19,400,000

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
Account					
Home Security Fund Account-State 10B-1	0	0	0	19,400,000	19,400,000
Total \$	0	0	0	19,400,000	19,400,000

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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: Richard Ramsey	Phone: (360)786-7412	Date: 02/03/2011
Agency Preparation: Tedd Kelleher	Phone: 360-725-2930	Date: 02/07/2011
Agency Approval: Connie Shumate	Phone: 725-2911	Date: 02/07/2011
OFM Review: Diamatris Winston	Phone: (360) 902-7657	Date: 02/07/2011

Request # 060-3A0-2

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.

Section 1 removes the June 30, 2013, sunset of the \$20 increase to the document recording fee surcharge used to fund homeless housing at the state and local levels. The surcharge is presently \$30 per recording and was scheduled to go back to \$10 per document in 2013. The state portion of the surcharges (39.2% of the total collected by the county auditors) is deposited into the Home Security Fund (10B).

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.

Section 1 continues the current level of revenue from the document recording surcharge beyond June 30, 2013. Based on FY11-13, Commerce estimates that the average number of recordings in each fiscal year will be 1,236,000. The county auditor retains 2% for administration of the surcharge. The remaining funds are split between the local jurisdictions and the state. The state receives 40% of the remaining funds (39.2% of the total collected). A continuation of the additional \$20 on the recording surcharge will generate \$9,700,000 in FY14 and each subsequent fiscal year (1,236,000 recordings times \$20 times 39.2 percent).

FY14-17: \$9,700,000 each fiscal year

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.

Section 1

ASSUMPTIONS: The funds from the continuation of the increase in the document recording surcharge will be passed through to support the three current programs at their current levels. The time-limited tenant-based rent assistance program for private market housing will receive 44% of the additional funds, the project-based leasing of private market buildings will receive 15%, and the operation of emergency shelters and transitional housing will receive 41%.

Grants, Benefits, and Client Services

Continuation of the current surcharge after FY13 would allow the state to continue to pass-through \$9.7 million per fiscal year to programs that are supported by the Home Security Fund. In FY13-15, Commerce estimates these programs would provide housing through local non-profit organizations for an additional 43,800 people facing homelessness.

FY13-17: \$9,700,000 each fiscal year

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
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				19,400,000	19,400,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$0	\$0	\$19,400,000	\$19,400,000

III. C - Expenditures By Program (optional)

Program	FY 2012	FY 2013	2011-13	2013-15	2015-17
Community Services and Housing (3A0)				19,400,000	19,400,000
Total \$				19,400,000	19,400,000

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

LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

Bill Number: 5645 SB	Title: Local homeless housing
-----------------------------	--------------------------------------

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:

Part III: Preparation and Approval

Fiscal Note Analyst: Alice Zillah	Phone: 360-725-5035	Date: 02/10/2011
Leg. Committee Contact: Richard Ramsey	Phone: (360)786-7412	Date: 02/03/2011
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 02/10/2011
OFM Review: Matthew Bridges	Phone: (360) 902-0575	Date: 02/10/2011

Part IV: Analysis

A. SUMMARY OF BILL

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

The legislation removes the sunset clause under RCW 36.22.179 for the Homeless Housing and Assistance Act document recording surcharge. As a result, it would permanently change the fee from \$10 to \$30 for certain recorded documents, as of July 1, 2013.

BACKGROUND

The county auditor is responsible for the recording of specified documents including judgments, liens, deeds, mortgages, and many other categories of documents pertaining to property ownership and real estate transactions. State law specifies certain fees that must be collected when a document is recorded. These fees include certain surcharges used for the funding of state and local programs to provide affordable housing for low income persons and housing assistance for the homeless.

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.

The legislation would have no fiscal impact for local government. The bill removes the sunset clause from a surcharge on recorded documents that is currently in effect.

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.

The number of recordings with the county auditors varies annually, depending primarily on the strength of the residential mortgage market. The current average number of documents recorded annually by county auditors to which this surcharge applies is 103,000 per month or 1,236,000 annually (Dept. of Commerce Community Services and Housing Division). Because there is not a reliable method of predicting future changes in the number of these transactions, the Local Government Fiscal Note (LGFN) program assumes the same number of recorded documents in future years for the purposes of this fiscal note.

As a result of the legislation, the annual revenue collected by the county auditors is estimated to be \$24.72 million (1,236,000 recordings times \$20) each year. The county auditors retain 2 percent of this revenue (\$494,400) for administrative costs, and 60 percent of the remainder (\$14,535,360) will be used by the counties for homeless housing programs. Thus, counties will receive an average amount of \$15,029,760 per year (\$494,400 + \$14,535,360). The other 40 percent of the remaining annual revenue (\$9,690,240) is remitted to the state for homeless housing programs provided by the Department of Commerce. The fee increase was previously scheduled to expire at the end of FY 2013; therefore, the revenue shown as a result of this legislation starts in FY 2014.

SOURCES

Spokane County Auditor's Department

Department of Commerce

Local Government Fiscal Note, 2331 HB, 2009



Multiple Agency Ten-Year Analysis Summary

Bill Number	Title
5645 SB	Local homeless housing

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

Estimated Cash Receipts

Agency Name	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	2012-21 TOTAL
Office of State Treasurer	0	0	0	0	0	0	0	0	0	0	0
Department of Commerce	0	0	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	77,600,000
Department of Commerce	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	77,600,000



Ten-Year Analysis

Bill Number 5645 SB	Title Local homeless housing	Agency 090 Office of State Treasurer
-------------------------------	--	--

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp> .

Estimates

☒ **No Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
--------------------	-----------	--	--	--	--	--	--	--	--	--	--	--

Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 2/7/2011 9:34:15 am
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 2/7/2011 9:34:15 am
OFM Review: Matthew Bridges	Phone: (360) 902-0575	Date: 2/10/2011 11:40:04 am



Ten-Year Analysis

Bill Number 5645 SB	Title Local homeless housing	Agency 103 Department of Commerce
-------------------------------	--	---

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☐ **No Cash Receipts**
☐ **Indeterminate Cash Receipts**

Estimated Cash Receipts

Name of Tax or Fee	Acct Code	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	2012-21 TOTAL
Home Security Fund	10B			9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	77,600,000
Total				9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	77,600,000
Biennial Totals				19,400,000		19,400,000		19,400,000		19,400,000		77,600,000

Agency Preparation: Tedd Kelleher	Phone: 360-725-2930	Date: 2/7/2011 11:59:20 am
Agency Approval: Connie Shumate	Phone: 725-2911	Date: 2/7/2011 11:59:20 am
OFM Review: Matthew Bridges	Phone: (360) 902-0575	Date: 2/10/2011 11:40:04 am