

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1187 HB	<b>Title:</b> Athletic facility grants
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## Estimated Cash Receipts

Agency Name	2013-15		2015-17		2017-19	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	(785,000)	0	(1,126,000)	0	(1,126,000)	0
<b>Total \$</b>	<b>(785,000)</b>	<b>0</b>	<b>(1,126,000)</b>	<b>0</b>	<b>(1,126,000)</b>	<b>0</b>

## Estimated Expenditures

Agency Name	2013-15			2015-17			2017-19		
	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 Revenue	.0	0	0	.0	0	0	.0	0	0
Recreation and Conservation Funding Board	.1	0	16,590	.2	0	508,202	.2	0	1,001,962
<b>Total</b>	<b>0.1</b>	<b>\$0</b>	<b>\$16,590</b>	<b>0.2</b>	<b>\$0</b>	<b>\$508,202</b>	<b>0.2</b>	<b>\$0</b>	<b>\$1,001,962</b>

## Estimated Capital Budget Impact

NONE

<b>Prepared by:</b> Cherie Berthon, OFM	<b>Phone:</b> 360-902-0659	<b>Date Published:</b> Final 1/30/2013
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\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

FNPID 33080

FNS029 Multi Agency rollup

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1187 HB	<b>Title:</b> Athletic facility grants	<b>Agency:</b> 090-Office of State Treasurer
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2014	FY 2015	2013-15	2015-17	2017-19
General Fund-State 001-1	(321,000)	(464,000)	(785,000)	(1,126,000)	(1,126,000)
Youth Athletic Facility Account-Non-Appropriated 818-6	321,000	464,000	785,000	1,126,000	1,126,000
<b>Total \$</b>					

### Estimated Expenditures from:

NONE

### Estimated Capital Budget Impact:

NONE

*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:

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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: Meg Van Schoorl	Phone: 360-786-7105	Date: 01/21/2013
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 01/30/2013
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 01/30/2013
OFM Review: Diamatris Winston	Phone: (360) 902-7657	Date: 01/30/2013

Request # 014-1

## 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.*

HB 1187 requires the state treasurer to transfer fifty percent of the most recent estimates provided by the department of revenue under section 2 of the bill from the general fund into the youth athletic facility account. The following transfer estimates were provided by the department of revenue:

FY 14	\$ 321,000
FY 15	\$ 464,000
FY 16	\$ 563,000
FY 17	\$ 563,000
FY 18	\$ 563,000
FY 19	\$ 563,000

Earnings from investments:

Estimated earnings from investments are indeterminable because projected cash flows are needed to make the estimate and are currently unavailable. Earnings for an account are 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 under review. 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.

For illustrative purposes, assume based on the November 2012 revenue forecast that approximately \$1,600 in FY 13, \$1,000 in FY 14, \$1,000 in FY 15, \$5,300 in FY 16, and \$25,400 in FY 17 in net earnings would be gained or lost annually for every \$1 million shift in average daily cash balances.

### 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.*

HB 1187 requires the state treasurer to transfer fifty percent of the most recent estimates provided by the department of revenue under section 2 of the bill from the general fund into the youth athletic facility account.

### 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.*

# Department of Revenue Fiscal Note

<b>Bill Number:</b> 1187 HB	<b>Title:</b> Athletic facility grants	<b>Agency:</b> 140-Department of Revenue
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## Part I: Estimates

☒ No Fiscal Impact

### Estimated Capital Budget Impact:

NONE

*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:	Meg Van Schoorl	Phone: 360-786-7105	Date: 01/21/2013
Agency Preparation:	Erin Valz	Phone: 360-534-1522	Date: 01/23/2013
Agency Approval:	Don Gutmann	Phone: 360-534-1510	Date: 01/23/2013
OFM Review:	Cherie Berthon	Phone: 360-902-0659	Date: 01/23/2013

Request # 1187-1-1

## 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.*

This legislation does the following:

\*Creates a Youth Athletic Facility Account.

\*Requires the Department of Revenue (Department) to estimate the amount of state sales and use tax revenue collected in the prior fiscal year from the sale of, or charge made for the right to participate in competitive team sport activities, including competitive team sport tournaments. The Department must complete this by October 1, 2013, and every third year, thereafter. The Department must provide the estimated amount to the State Treasurer starting November 1, 2013 and must provide the estimated amount each year on November 1 thereafter.

\*Requires the Department to provide the fiscal committees of the Legislature with a summary report of the assumptions, data sources, and methodology that were used in the preparation of the estimate above. This must be completed by December 1, 2016, and the December 1 each year the Department provides the State Treasurer an estimate.

\*A competitive team sport is defined as a sport in which teams of two or more players compete against one another, where the collective effort of the teams' members determines the final score and the outcome of the competition.

This proposal would be effective 90 days after the legislative 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

For profits represent 30 percent of sports leagues, government municipalities represent 46 percent of sports leagues and non-profits represent 24 percent of sports leagues.

Compliance factors:

\*For-profits: first year compliance is 26 percent and the second year compliance is 39. Years three and thereafter will have a 52 percent compliance rate.

\*Government municipalities: first year compliance is 50 percent, second year compliance is 75 percent and year three and thereafter will have a 90 percent compliance rate.

\*Non-profits: there will be a 17 percent compliance rate for all fiscal years.

Data sources:

\*Consumer Expenditure Survey

\*Department of Revenue (Department) tax collections and audit data

\*2005 Study on Popular Sports and Recreation, Sporting Goods Manufacturers Association

#### TOTAL REVENUE IMPACT:

Please note that there is no revenue impact to the Department of Revenue, since this proposal designates the State

Treasurer to make the fund transfers. However, since the Department is responsible for estimating the amount to transfer, we show the impact to state funds below.

This estimate below reflects 12 months of transfers for each fiscal year.

General Fund (cash basis, \$000):

FY 2014 -	\$ (321)
FY 2015 -	\$ (464)
FY 2016 -	\$ (563)
FY 2017 -	\$ (563)
FY 2018 -	\$ (563)
FY 2019 -	\$ (563)

Youth Athletic Facility Account (cash basis, \$000):

FY 2014 -	\$ 321
FY 2015 -	\$ 464
FY 2016 -	\$ 563
FY 2017 -	\$ 563
FY 2018 -	\$ 563
FY 2019 -	\$ 563

## 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*

The Department will not incur any costs with the implementation of this legislation.

## Part III: Expenditure Detail

## Part IV: Capital Budget Impact

*Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods*

NONE

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.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1187 HB	<b>Title:</b> Athletic facility grants	<b>Agency:</b> 467-Rec/Conserv Funding Board
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.1	0.1	0.1	0.2	0.2
<b>Account</b>					
Youth Athletic Facility Account-State 818-1	4,815	11,775	16,590	508,202	1,001,962
<b>Total \$</b>	4,815	11,775	16,590	508,202	1,001,962

### Estimated Capital Budget Impact:

NONE

*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:

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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.

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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: Meg Van Schoorl	Phone: 360-786-7105	Date: 01/21/2013
Agency Preparation: Brent Hedden	Phone: 360-902-3007	Date: 01/24/2013
Agency Approval: Nona Snell	Phone: 360-902-3021	Date: 01/24/2013
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 01/24/2013

Request # 13-02-1



## 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.*

Department of Revenue is required to estimate the amount of state sales and use tax revenue collected in the prior fiscal year from the sale of, or charge made for the right to participate in competitive team sport activities, including competitive team sports tournaments.

Requires the state treasurer to transfer fifty percent of the most recent estimated amount from the general fund into the youth athletic facility account.

### 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.*

The administrative costs incurred in the first biennium will be for the grant round preparation work that must be done prior to issuing grants. This includes updating policy, establishing an advisory committee, evaluating projects and writing contracts.

The agency will use the three percent allowed for administrative functions, and the remaining ninety-seven percent will be used to fund grants.

The first grants for Youth Athletic Facilities would be issued in 2015, and then once every two years from that point forward.

Grant expenditure projections are based on prior experience.

Our expenditure projections for revenue received through 2017-19, the fiscal note period, go beyond the timeframe of this fiscal note. We estimate that we would spend \$1,510,248 in fiscal years 2020-2022.

## Part III: Expenditure Detail

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

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.1	0.1	0.1	0.2	0.2
A-Salaries and Wages	3,611	8,831	12,442	24,222	25,336
B-Employee Benefits	1,204	2,944	4,148	8,073	8,444
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services				475,907	968,182
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total:</b>	\$4,815	\$11,775	\$16,590	\$508,202	\$1,001,962

**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 2014	FY 2015	2013-15	2015-17	2017-19
Outdoor Grants Manager	67,668	0.1	0.1	0.1	0.2	0.2
<b>Total FTE's</b>	67,668	0.1	0.1	0.1	0.2	0.2

## 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.