

Multiple Agency Fiscal Note Summary

Bill Number: 2790 HB	Title: HOA dispute resolution prog.
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Estimated Cash Receipts

Agency Name	2017-19		2019-21		2021-23	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of Attorney General	0	6,059	0	12,386	0	12,386
Total \$	0	6,059	0	12,386	0	12,386

Estimated Expenditures

Agency Name	2017-19			2019-21			2021-23		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of Attorney General	1.5	303,592	309,651	4.3	617,102	629,488	4.3	617,102	629,488
Office of Administrative Hearings	Fiscal note not available								
Total	1.5	\$303,592	\$309,651	4.3	\$617,102	\$629,488	4.3	\$617,102	\$629,488

Estimated Capital Budget Impact

NONE

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

** See local government fiscal note

ENPID: 50323

FNS029 Multi Agency rollout

Individual State Agency Fiscal Note

Bill Number: 2790 HB	Title: HOA dispute resolution prog.	Agency: 100-Office of Attorney General
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2018	FY 2019	2017-19	2019-21	2021-23
Legal Services Revolving Account-State 405-1		6,059	6,059	12,386	12,386
Total \$		6,059	6,059	12,386	12,386

Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.0	3.1	1.6	4.3	4.3
Account					
General Fund-State 001-1	0	303,592	303,592	617,102	617,102
Legal Services Revolving Account-State 405-1	0	6,059	6,059	12,386	12,386
Total \$	0	309,651	309,651	629,488	629,488

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.

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Agency Preparation: Andrew Logerwell	Phone: (360) 570-3406	Date: 01/26/2018
Agency Approval: Deborah Feinstein	Phone: 360-709-6463	Date: 01/26/2018
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 01/26/2018

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: New Section, definitions section.

Section 2: New Section, directs the Attorney General's Office (AGO) to pilot a program in three counties, try to resolve related disputes and track data related to the usage and report back to the Governor and Legislature.

Section 3: New Section, allows aggrieved parties to file complaints and directs the AGO to investigate complaints, find violations and then allows for administrative review.

Section 4: New Section, immunity for other than willful or intentional misconduct.

Section 5: Adds a new section to RCW 34.12 that allows the assignment of an Administrative Law Judge.

Section 6: Creates new section in RCW 64 for Section 1 through Section 4.

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.

The AGO assumes new costs for Financial Services (FIS) activities that will be distributed among all legal services client agencies following the enactment of this bill. Costs of FIS activities are billed as part of AGO overhead. AGO overhead is billed to all clients proportionate to service levels provided. It is the AGO standard practice to spread these type of costs pro-rata through the Legal Services component of the Central Service Model. Not including these costs in the Legal Services component of the Central Service Model is putting the Legal Services Revolving Account out of balance.

Consumer Protection activities are assumed to be paid with the State General Funds. No cash receipt impact. There is no client agency to bill for legal services.

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.

AGO Agency Assumptions:

1. Legal services associated with the enactment of this bill will begin on July 1, 2018.
2. Scheduled pay raises in July 2018 and January 2019 are included in these projections.

Assumptions of the AGO's new Condo & Home Owner's Association (HOA) Section:

1. New Condo & HOA section activities will fall under AGO Consumer Protection and will be funded with State General Funds.

2. The AGO assumes 2,500 condo/HOAs in the pilot counties.
3. The AGO assumes 525 complaints will be filed each year.
4. The AGO assumes 5% of the complaints will require investigation.
5. The AGO assumes five notices of violation and four administrative hearings each fiscal year.
6. Total workload impact:
FY 2019: 0.30 Assistant Attorney General (AAG), 0.15 Legal Assistant-Seattle (LA), 0.20 Investigator (INV), 0.10 WMS Manager, 1.5 Program Coordinator (PC), 0.2 Program Specialist 5 (PS5), and 0.5 Program Specialist 3 (PS3) at a cost of \$303,592.
FY 2020 and in each FY thereafter: 0.3 AAG, 0.15 LA, 0.20 INV, 0.10 WMS, 1.50 PC, 0.20 PS5 and 0.5 PS3 at a cost of \$308,551.

Assumptions for the AGO Financial Services Division:

1. The AGO assumes new expenditures for Financial Services (FIS) activities that will be distributed among all legal services client agencies following the enactment of this bill. Expenditures of FIS activities are billed as part of AGO overhead. AGO overhead is billed to all clients proportionate to service levels provided. It is the AGO standard practice to spread these type of costs pro-rata through the Legal Services component of the Central Service Model. Not including these expenditures in the Legal Services component of the Central Service Model is putting the Legal Services Revolving Account out of balance.
2. New FIS workload associated with the enactment of this bill includes receipt revenue and tracking, processing monthly cost allocations, monitor revenue reports and approval of FA4's work.
3. Total workload impact:
FY2019: 0.06 FA4: 0.06 Fiscal Analyst 4 (FA4) at a cost of \$6,059.
FY 2020 and in each FY thereafter: 0.6 FA4 at a cost of \$6,193.

Note: Agency administration support FTEs are included in the tables below, using a Management Analyst 5 as a representative classification.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years		3.1	1.6	4.3	4.3
A-Salaries and Wages		185,303	185,303	379,216	379,216
B-Employee Benefits		74,847	74,847	151,446	151,446
C-Professional Service Contracts					
E-Goods and Other Services		43,130	43,130	87,762	87,762
G-Travel		1,736	1,736	3,472	3,472
J-Capital Outlays		4,635	4,635	7,592	7,592
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$309,651	\$309,651	\$629,488	\$629,488

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 2018	FY 2019	2017-19	2019-21	2021-23
Assistant Attorney General	101,400		0.3	0.2	1.5	1.5
Fiscal Analyst 4	59,724		0.1	0.0	0.1	0.1
Investigator 4	86,928		0.2	0.1	0.2	0.2
Legal Assistant III (Seattle)	60,048		0.2	0.1	0.2	0.2
Management Analyst 5	76,860		0.1	0.0	0.1	0.1
Program Coordinator	41,232		1.5	0.8	1.5	1.5
Program Specialist 3	61,212		0.5	0.3	0.5	0.5
Program Specialist 5	72,744		0.2	0.1	0.2	0.2
WMS Manager	81,684		0.1	0.1	0.1	0.1
Total FTEs			3.1	1.6	4.3	4.3

III. C - Expenditures By Program (optional)

Program	FY 2018	FY 2019	2017-19	2019-21	2021-23
Financial Services (FIS)		6,059	6,059	12,386	12,386
CPR Condo Dispute Resolution Section (NEW)		303,592	303,592	617,102	617,102
Total \$		309,651	309,651	629,488	629,488

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.