

Multiple Agency Fiscal Note Summary

Bill Number: 5304 SB	Title: Local infrastruct. financing
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Housing Finance Commission	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Local Gov. Courts *									
Loc School dist-SPI									
Local Gov. Other **	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Housing Finance Commission	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

Prepared by: Gwen Stamey, OFM	Phone: (360) 902-9810	Date Published: Final 1/29/2019
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 53853

Individual State Agency Fiscal Note

Bill Number: 5304 SB	Title: Local infrastruct. financing	Agency: 148-Housing Finance Commission
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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: Brandon Popovac	Phone: 360-786-7465	Date: 01/26/2019
Agency Preparation: Rich Zwicker	Phone: 2062874480	Date: 01/28/2019
Agency Approval: Debra Stephenson	Phone: 206-287-4465	Date: 01/28/2019
OFM Review: Cheri Keller	Phone: 360-902-0563	Date: 01/29/2019

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.

No fiscal impact.

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.

Part III: Expenditure Detail

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.

Bill No. SB 5304
Companion Bill: HB 1441
Fiscal Note Response
Dated: January 28, 2019

Brief Description of Fiscal Impact:

The proposed legislation allows the Commission to add an additional component to its existing financing programs.

Expenditures:

Because the Commission is a non-appropriated, non-allocated agency, all the costs associated with this program will be recovered through fees assessed on the financing transactions contemplated by this proposed legislation or from the Commission operating funds.

Contact:

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LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5304 SB	Title: Local infrastruct. financing
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☒ Cities: Cities seeking financing for infrastructure projects
- ☒ Counties: Same as above
- ☒ Special Districts: Same as above
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☒ Legislation provides local option: This bill would allow local governments to receive loans from the housing finance commission.
- ☐ Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Indeterminate Impact

Part III: Preparation and Approval

Fiscal Note Analyst: Tom Gilmore	Phone: 360-725-5038	Date: 01/28/2019
Leg. Committee Contact: Brandon Popovac	Phone: 360-786-7465	Date: 01/26/2019
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/28/2019
OFM Review: Myra Baldini	Phone: (360) 902-0525	Date: 01/29/2019

Part IV: Analysis

A. SUMMARY OF BILL

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

This bill would allow the Housing Finance Commission (HFC) to issue bonds on behalf of, or provide loans to, local governments to address infrastructure needs. This would include loans for repairing, replacing, acquiring, and constructing infrastructure.

This bill would not change statutory debt ceilings to local governments.

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.

This bill would not impact local government expenditures.

This bill is a local option. This bill could potentially provide cost savings to local governments choosing to seek financing through the HFC as opposed to procuring financing on their own, the magnitude of this impact is unknown.

Potential cost savings may result from:

- Lower interest rates as many local governments would have lower credit ratings than the HFC and as a result would receive preferable interest rates through the HFC.
- Bond preparation costs savings as financing through the HFC may save local governments money to prepare the bond, potential costs include bond counsels, financial advisors, rating agency scores, or bond insurance.

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.

This bill would not impact local government revenues.

This bill would allow local governments to seek financing through the HFC, however it would not change statutory debt ceilings. Local governments would have access to the same level of finance, but would have a new vehicle through which to obtain it.

SOURCES:

Bond Users Clearinghouse