

Multiple Agency Fiscal Note Summary

Bill Number: 5557 SB	Title: Seismic hazard risk, reduce
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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
Department of Commerce	Fiscal note not available								
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Office of Insurance Commissioner	.0	0	6,379	.0	0	1,595	.0	0	0
Department of Enterprise Services	.0	0	0	.0	0	10,800	.0	0	0
Washington State Patrol	.0	0	0	.0	0	0	.0	0	0
Military Department	1.0	237,706	237,706	1.0	232,706	232,706	1.0	232,706	232,706
Department of Ecology	.1	4,904	19,618	.0	1,225	4,901	.0	0	0
Department of Natural Resources	.1	41,100	41,100	.0	0	0	.0	0	0
Total \$	1.2	283,710	304,803	1.0	233,931	250,002	1.0	232,706	232,706

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
Department of Commerce	Fiscal note not available								
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Office of Insurance Commissioner	.0	0	0	.0	0	0	.0	0	0
Department of Enterprise Services	.0	0	0	.0	0	0	.0	0	0
Washington State Patrol	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Military Department	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Department of Natural Resources	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

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

** See local government fiscal note

FNPID: 55287

FNS029 Multi Agency rollup

Estimated Capital Budget Breakout

NONE

Washington State Patrol	Non-zero but indeterminate cost and/or savings. Please see discussion.
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Prepared by: Bryan Way, OFM	Phone: (360) 902-0650	Date Published: Preliminary 2/ 5/2019
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note
FNPID: 55287

Department of Revenue Fiscal Note

Bill Number: 5557 SB	Title: Seismic hazard risk, reduce	Agency: 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: Greg Vogel	Phone: 360-786-7413	Date: 01/24/2019
Agency Preparation: Frank Wilson	Phone: 360-534-1527	Date: 01/28/2019
Agency Approval: Don Gutmann	Phone: 360-534-1510	Date: 01/28/2019
OFM Review: Kathy Cody	Phone: (360) 902-9822	Date: 01/28/2019

Request # 5557-1-1

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.

BILL SUMMARY:

- A functional recovery task force established to determine criteria and implementation measures necessary for the adoption of a functional recovery standard for all emergency services and state-owned buildings.
- If the Joint Legislative Audit and Review Committee (JLARC) finds that, the property tax exemption has led to a significant increase for buildings that meet a functional recovery standard in the ten years following enactment of this tax preference, then the Legislature intends to extend the date of the tax preference.
- JLARC may refer to tax exemption data available from the Department of Revenue (Department).
- Beginning July 1, 2026, property owners who meet the requirements of this section may apply to their county assessor for a property tax exemption for the costs of new construction or seismic retrofitting that meets the criteria of a functional recovery standard.
- Allows cities, towns and counties to enact programs and incentives to encourage new construction or seismic retrofitting. The programs and incentives are the following:
 - Grant or loan programs,
 - Tax exemptions, credits or rebates,
 - Architectural fee reimbursement,
 - Fee waivers, zoning modifications, transfer or development rights, and on-site parking exemptions.
- A state grant program administered by the Department of Corrections (DOC) is established. Property owners would apply to DOC for a grant.

EFFECTIVE/EXPIRATION DATE:

This bill takes effect beginning with property taxes collected in Calendar Year 2027. This tax preference expires July 1, 2036.

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.

Property owners cannot apply for the property tax exemption until July 1, 2026. Assessed values as of January 1, 2027 will reflect the new exemption. Any revenue impacts will not occur until taxes due in Calendar Year 2028 which is outside the scope of this fiscal note.

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.

Individual State Agency Fiscal Note

Bill Number: 5557 SB	Title: Seismic hazard risk, reduce	Agency: 160-Office of Insurance Commissioner
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	0.0	0.0	0.0	0.0
Account					
Insurance Commissioners Regulatory Account-State 138-1	1,595	4,784	6,379	1,595	0
Total \$	1,595	4,784	6,379	1,595	0

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: Greg Vogel	Phone: 360-786-7413	Date: 01/24/2019
Agency Preparation: David Forte	Phone: 360-725-7042	Date: 01/29/2019
Agency Approval: Candice Myrum	Phone: 360-725-7042	Date: 01/29/2019
OFM Review: Robyn Williams	Phone: (360) 902-0575	Date: 01/30/2019

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.

Sec. 3(1) establishes the functional recovery task force to determine criteria and implementation measures necessary for adoption of a functional recovery standard for all emergency services buildings and state-owned buildings. Section 3(5) requires the Office of the Insurance Commissioner (OIC) to be a member of the task force. Section 3(11) ends the task force on December 31, 2021.

Sec. 3(4)(c) allows the task force to examine relevant reports, industry and government standards, best practices or academic research in order to determine criteria for a functional recovery standard. This will require research and submission of findings by the OIC to the task force.

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. 3(1) establishes the functional recovery task force to determine criteria and implementation measures necessary for adoption of a functional recovery standard for all emergency services buildings and state-owned buildings. Section 3(5) requires the Office of the Insurance Commissioner (OIC) to be a member of the task force. Section 3(11) ends the task force on December 31, 2021. The OIC assumes there will be a total of six task force meetings held (one in FY2020, four in FY2021, and one in FY2022) each lasting four hours and requiring two hours of preparatory time for a Senior Policy Analyst.

Sec. 3(4)(c) allows the task force to examine relevant reports, industry and government standards, best practices or academic research in order to determine criteria for a functional recovery standard. This will require the OIC to research and submit findings to the task force. OIC assumes a research assignment and submission will be due at four out of six task force meetings requiring 11 hours in FY2020, 22 hours in FY2021 and 11 hours in FY2021 of a Senior Policy Analyst's time to research and draft, review and finalize findings for each assignment.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
138-1	Insurance Commissioners Regulatory Account	State	1,595	4,784	6,379	1,595	0
Total \$			1,595	4,784	6,379	1,595	0

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	0.0	0.0	0.0	
A-Salaries and Wages	965	2,895	3,860	965	
B-Employee Benefits	311	932	1,243	311	
C-Professional Service Contracts					
E-Goods and Other Services	319	957	1,276	319	
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					
9-					
Total \$	1,595	4,784	6,379	1,595	0

III. C - Operating FTE 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 2020	FY 2021	2019-21	2021-23	2023-25
Senior Policy Analyst	96,504	0.0	0.0	0.0	0.0	
Total FTEs		0.0	0.0	0.0	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.

Individual State Agency Fiscal Note

Bill Number: 5557 SB	Title: Seismic hazard risk, reduce	Agency: 179-Department of Enterprise Services
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
Account					
Building Code Council Account-State 084-1	0	0	0	10,800	0
Total \$	0	0	0	10,800	0

Estimated Capital Budget Impact:

NONE

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☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Greg Vogel	Phone: 360-786-7413	Date: 01/24/2019
Agency Preparation: Michael Diaz	Phone: (360) 407-8131	Date: 01/29/2019
Agency Approval: Ashley Howard	Phone: (360) 407-8159	Date: 01/29/2019
OFM Review: Bryan Way	Phone: (360) 902-0650	Date: 02/01/2019

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.

Section 3 is a new section added to RCW 70.86 which establishes the functional recovery task force and defines the work assigned to the task force including implementation measures, priorities, members, responsibility of expenses incurred, and the responsibility to provide periodic progress reports and states the final set of findings must be reported to the governor and the appropriate committees of the legislature by December 1, 2021. Section 3 (5)(c)(i) identifies that a member of the State Building Code Council (SBCC) must be on the task force. Section 3 (8) states the expenses of the task force must be paid jointly by the Senate and the House of Representatives. This has no fiscal impact to the Department of Enterprise Services (DES).

Section 5 is a new section added to RCW 84.36. Section 5.2 states the Department of Commerce, in consultation with SBCC, and others, must determine criteria for the types and quality of construction that meet a functional recovery standard. The Department of Commerce assumes there would need to be 6 stakeholder meetings, which three (3) SBCC council members participating. This work is to be completed by July 1, 2025. This has fiscal impact to DES.

Section 8 is a new section and requires SBCC to include the provisions of RCW 19.27.031 and Appendix A of the 2018 International Building Code by December 31, 2025. SBCC will include this as a part of normal rule making, therefore 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.

The Department of Commerce has determined six stakeholder meetings will be needed to adequately satisfy the requirements of section 5 (2). Each meeting will require 3 members of the SBCC to participate. Commerce did not have assumptions as to when the meetings would take place, so DES is assuming 3 meetings in FY22 and 3 meetings in FY23. Travel costs for an SBCC representative to attend the workgroups is as follows:

- Round-trip air travel \$273
- Per Diem \$265
- Rental car \$50
- Parking \$12
- Total \$600/day

Travel for the six meetings is estimated at \$10,800.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
084-1	Building Code Council Account	State	0	0	0	10,800	0
Total \$			0	0	0	10,800	0

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel				10,800	
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	0	0	10,800	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.

Individual State Agency Fiscal Note

Bill Number: 5557 SB	Title: Seismic hazard risk, reduce	Agency: 225-Washington State Patrol
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

Non-zero but indeterminate cost. Please see discussion.

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 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: Greg Vogel	Phone: 360-786-7413	Date: 01/24/2019
Agency Preparation: Shawn Eckhart	Phone: 360-596-4083	Date: 01/28/2019
Agency Approval: Walter Hamilton	Phone: 360-596-4046	Date: 01/28/2019
OFM Review: Erik Hansen	Phone: 360-902-0423	Date: 01/28/2019

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.

This legislation could have a significant impact to future capital budgets due to increased building costs and retrofitting of existing buildings, and a minimal impact to the operating budget due to task force participation.

Section 3 creates the Functional Recovery Task Force (Task Force). Two of the three priorities of the task force are

- to determine criteria and implementation measures for the adoption of a functional recovery standard for all new emergency services buildings and state-owned buildings; and
- to identify means for the seismic retrofitting of all existing emergency services buildings and state-owned buildings.

A "functional recovery standard" is defined as a set of enforceable building code provisions and regulations that provide specific design and construction requirements intended to result in a building for which post-earthquake structural and nonstructural capacity are maintained or can be restored to support the basic intended functions of the building's pre-earthquake use and occupancy within a maximum acceptable time. This could increase costs of future newly-constructed emergency services or state-owned buildings.

"Emergency services buildings" (defined in section 2) and state-owned buildings cover most buildings utilized by the Washington State Patrol (WSP), potentially requiring each structure to be retrofitted at significant cost.

It is unknown what regulations would result from Task Force recommendations, so the fiscal impact is indeterminate. It is also possible that such measures, once implemented, could save money in post-earthquake recovery, a hypothetical and unknown likelihood and quantity.

One of the participants proposed for the Task Force is the State Fire Marshal, a bureau of the WSP. This will require expenditure of resources to participate on the Task Force.

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.

This legislation has no provisions for cash receipts to the WSP.

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 bulk of the potential expenditures from this legislation are assumed to be borne by the capital budget.

We will have some costs for State Fire Marshal participation in the Task Force. It is not known how much time would be required, though we do not anticipate the impact to be significant.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

Part IV: Capital Budget Impact

NONE

Non-zero but indeterminate cost. Please see discussion.

It is unknown what requirements would result from task force recommendations, so the size of the future impact to costs for new building construction, or current building retrofit, is indeterminate. It is also possible that such measures, once implemented, could save money in post-earthquake recovery, a hypothetical and unknown likelihood and quantity.

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.

Individual State Agency Fiscal Note

Bill Number: 5557 SB	Title: Seismic hazard risk, reduce	Agency: 245-Military Department
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
Account					
General Fund-State 001-1	121,353	116,353	237,706	232,706	232,706
Total \$	121,353	116,353	237,706	232,706	232,706

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.

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☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Greg Vogel	Phone: 360-786-7413	Date: 01/24/2019
Agency Preparation: Regan Hesse	Phone: 253-512-8115	Date: 02/04/2019
Agency Approval: Regan Hesse	Phone: 253-512-8115	Date: 02/04/2019
OFM Review: Bryan Way	Phone: (360) 902-0650	Date: 02/05/2019

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.

Section 1 states that the legislature intends to create a position dedicated to seismic hazard works within the state military department.

Section 3 establishes a functional recovery task force that will determine criteria and implementation measures necessary for the adoption of a functional recovery standard for all emergency services buildings and state-owned buildings. MIL is listed as a representative member of the task force.

Assumption – Adequate representation on the task force for the multitude of complex efforts will require a significant amount of staff time. Though this task force is scheduled to conclude 1 December 2021, the recommendations of the task force will continue to inform the ongoing work required by section 9.

Section 9 adds a new section to RCW 38.52, which states that the military department emergency management division must synchronize catastrophic planning and preparedness activities, and partner with agencies/organizations to improve seismic risk reduction in WA.

Assumption – Subject matter expertise, technical support, coordination, synchronization and outreach for all 9 sections, but especially section 9, will require at least 1 EMPS 3 (pay range 60) to perform this work, which is not currently part of the Military Department portfolio. It is assumed that this one ongoing FTE would also support the task force established in Section 3.

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 Military Department assumes it will require one EMPS 3 to perform the duties required in Section 9, beginning in fiscal year 2020 and continuing indefinitely. Costs are estimated as follows:

Salary for 1 EMPS 3, Range 60, step L = \$75,684

Benefits calculated at 35% of base salary = \$26,489.40

Goods and Services are calculated at \$5,000 per year for office supplies, professional development and training.

Startup costs (computer and associated equipment) are shown as \$5,000 in capital outlays for fiscal year 2020 only.

Travel is estimated at 10 multiple day trips (4 days-average per diem \$640 and \$173 in vehicle cost per trip = \$813 per trip, for a total of \$8,130) to Eastern Washington for technical assistance to local governments and 25 day trips to local and state government agencies in Western Washington annually (\$1,050). Travel is by Agency

Owned Vehicle at an average of \$24 per day and \$.11 per mile. Average Eastern Washington trip is estimated at 700 miles and Western Washington at 200 miles.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	121,353	116,353	237,706	232,706	232,706
Total \$			121,353	116,353	237,706	232,706	232,706

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
A-Salaries and Wages	75,684	75,684	151,368	151,368	151,368
B-Employee Benefits	26,489	26,489	52,978	52,978	52,978
C-Professional Service Contracts					
E-Goods and Other Services	5,000	5,000	10,000	10,000	10,000
G-Travel	9,180	9,180	18,360	18,360	18,360
J-Capital Outlays	5,000		5,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	121,353	116,353	237,706	232,706	232,706

III. C - Operating FTE 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 2020	FY 2021	2019-21	2021-23	2023-25
EMPS 3	75,684	1.0	1.0	1.0	1.0	1.0
Total FTEs		1.0	1.0	1.0	1.0	1.0

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.

Individual State Agency Fiscal Note

Bill Number: 5557 SB	Title: Seismic hazard risk, reduce	Agency: 461-Department of Ecology
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.1	0.1	0.1	0.0	0.0
Account					
General Fund-State 001-1	2,452	2,452	4,904	1,225	0
State Toxics Control Account-State 173-1	7,357	7,357	14,714	3,676	0
Total \$	9,809	9,809	19,618	4,901	0

Estimated Capital Budget Impact:

NONE

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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.

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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: Greg Vogel	Phone: 360-786-7413	Date: 01/24/2019
Agency Preparation: Allen Robbins	Phone: 360-407-7099	Date: 01/29/2019
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 01/29/2019
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 01/30/2019

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.

Section 3 of this bill would add a new section to Chapter 70.86 RCW to establish a functional recovery task force to determine criteria and implementation measures necessary for the adoption of a functional recovery standard for emergency services buildings and state-owned buildings. The bill describes the task force work, membership, how costs would be managed, and reporting requirements. Ecology would have a representative on the task force. This section would have a fiscal impact to Ecology.

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.

Ecology assumes that several managers would participate and provide expertise for the agency's representation on the functional recovery task force under Section 3. We assume that managers would contribute to this high priority effort as part of their existing duties and would devote less time to lower-priority efforts.

Lead manager participation:

- It is assumed that the lead agency, the Military Department Emergency Management Division, would make all travel arrangements for the meetings, and they estimate that there would be about 4 meetings per year through 2021, with an average time of about 2 hours for each meeting.
- Ecology's representative to the work group would be the Administrative Services Director. Ecology assumes about 24 hours for meetings and 96 hours for preparation and review of materials.
- Lead manager participation = 120 hours x \$64/Hr. + associated standard costs = \$14,120.

Programmatic expertise and support:

- Ecology assumes an equal amount of programmatic expert management would be necessary to support Ecology's member on the workgroup as needed for relevant activities such as: building code, waste water, water availability, spills prevention and preparedness, and hazardous waste management.
- Expert management participation = 48 hours x \$46.56/Hr. (Avg. WMS2 Level) + associated standard costs = \$10,399.

Based on the timing of meetings and the final report it is assumed that 40% of the work would take place in FY 2020, 40% of the work would take place in FY 2021, and the remaining 20% in FY 2022. The costs would be split 25% in General Fund-State and 75% in State Toxics Control Account based on the funding sources of the Programs that would be involved.

The costs identified would be absorbed and we assume that the participating managers would reduce their time in lower priority activities to support the activities associated with this bill.

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.
 Benefits are the agency average of 37.1% of salaries.
 Goods and Services are the agency average of \$4,230 per direct program FTE.
 Travel is the agency average of \$2,577 per direct program FTE.
 Equipment is the agency average of \$1,319 per direct program FTE.
 Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.7% of direct program salaries and benefits, and is shown as object 9. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT Specialist 2.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	2,452	2,452	4,904	1,225	0
173-1	State Toxics Control Account	State	7,357	7,357	14,714	3,676	0
Total \$			9,809	9,809	19,618	4,901	0

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.1	0.1	0.1	0.0	
A-Salaries and Wages	5,307	5,307	10,614	2,653	
B-Employee Benefits	1,969	1,969	3,938	984	
E-Goods and Other Services	194	194	388	96	
G-Travel	118	118	236	58	
J-Capital Outlays	62	62	124	30	
9-Agency Administrative Overhead	2,159	2,159	4,318	1,080	
Total \$	9,809	9,809	19,618	4,901	0

III. C - Operating FTE 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 2020	FY 2021	2019-21	2021-23	2023-25
EMS BAND 4	133,620	0.0	0.0	0.0	0.0	
FISCAL ANALYST 2		0.0	0.0	0.0		
IT SPECIALIST 2						
WMS BAND 2	97,210	0.0	0.0	0.0	0.0	
Total FTEs		0.1	0.1	0.1	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.

Individual State Agency Fiscal Note

Bill Number: 5557 SB	Title: Seismic hazard risk, reduce	Agency: 490-Department of Natural Resources
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.2	0.0	0.1	0.0	0.0
Account					
General Fund-State 001-1	34,400	6,700	41,100	0	0
Total \$	34,400	6,700	41,100	0	0

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: Greg Vogel	Phone: 360-786-7413	Date: 01/24/2019
Agency Preparation: Shelley Hanna	Phone: 360-902-1021	Date: 01/25/2019
Agency Approval: Megan Duffy	Phone: 360-902-1034	Date: 01/25/2019
OFM Review: Leslie Connelly	Phone: (360) 902-0543	Date: 01/31/2019

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.

SB 5557 does several things:

- Convenes a task force to develop criteria and implementation measures necessary for the adoption of a functional recovery standard to apply to all emergency services and state-owned buildings (this applies to Department of Natural Resources (DNR) emergency operations center and likely many DNR buildings). The criteria developed by this task force will ensure that in the event of seismic disaster, emergency crews will be able to respond immediately to crisis and people will have a place to seek shelter and refuge.
- Creates a position dedicated to seismic hazard works within the state military department.
- Provides a tax preference to encourage functional recovery construction.
- Establishes a grant program for unreinforced masonry buildings.
- Authorizes local governments to incentivize functional recovery in order to mitigate earthquake disaster.

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.

SB 5557, Section 3 creates a Task Force to develop criteria and implementation measures necessary for the adoption of a functional recovery standard to apply to all emergency services and state-owned buildings. The criteria developed by this task force will ensure that in the event of seismic disaster, emergency crews will be able to respond immediately to crisis and people will have a place to seek shelter and refuge.

DNR and Washington Geological Survey (WGS) are appointed to the Task Force and so there will be a fiscal impact to participate in meetings and help to do research, write the reports (final report due Dec. 1, 2021), and other activities not yet defined. A major assumption is that WGS will play a lead role in the task force and will help to define seismic hazards, conduct significant research and outreach, and write many sections of the reports. This fiscal note assumes that the State Geologist (WMS 3) would attend Task Force meetings for .5 month in FY 20. It is assumed that the Chief Hazards Geologist (NRS 4) would be the primary researcher for the reports and attend meetings, working 2 months in FY 20.

Additionally, in Section 9 this bill requires the military emergency management division to work with state agencies (DNR/WGS) to improve seismic risk reduction in Washington. This would require several meetings and additional work to meet this expectation. It is assumed that the Chief Hazards Geologist (NRS 4) would consult, review, and attend meetings, working .5 months in FY 21.

DNR staff costs associated with SB 5557 in FY20 would amount to \$34,400 and in FY 21 the cost would be \$6,700. for a total of \$41,100.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	34,400	6,700	41,100	0	0
Total \$			34,400	6,700	41,100	0	0

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.2	0.0	0.1		
A-Salaries and Wages	18,000	3,400	21,400		
B-Employee Benefits	6,300	1,300	7,600		
C-Professional Service Contracts					
E-Goods and Other Services	2,000	400	2,400		
G-Travel	1,100	200	1,300		
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	7,000	1,400	8,400		
9-					
Total \$	34,400	6,700	41,100	0	0

III. C - Operating FTE 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 2020	FY 2021	2019-21	2021-23	2023-25
NR Scientist 4	81,912	0.2	0.0	0.1		
WMS-Band 3	99,964	0.0		0.0		
Total FTEs		0.2	0.0	0.1		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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5557 SB	Title: Seismic hazard risk, reduce
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☒ Cities: Cities that participate in stakeholder meetings; apply and receive grants; and opt to undertake their own programs and incentive programs to encourage new construction and seismic retrofits
- ☒ Counties: Counties that participate in stakeholder meetings; apply and receive grants; and opt to undertake their own programs and incentive programs to encourage new construction and seismic retrofits
- ☒ Special Districts: Special districts that participate in stakeholder meetings; apply and receive grants; and opt to undertake their own programs and incentive programs to encourage new construction and seismic retrofits
- ☐ Specific jurisdictions only:
- ☒ Variance occurs due to: number of local stakeholders from different local jurisdictions that would attend stakeholder meetings; which jurisdictions would choose to apply for grants and the number of jurisdictions that would receive them; the number of local governments that would opt to undertake their own programs and incentive programs to encourage new construction and seismic retrofits; and the costs of those programs and incentives

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☒ Legislation provides local option: Local governments would be authorized to enact their own programs and incentives to encourage new construction or seismic retrofitting to meet a functional recovery standard
- ☒ Key variables cannot be estimated with certainty at this time: The definition of functional recovery standard; number of local governments that would establish their own programs and incentives; the costs of those programs and incentives; number of stakeholder meetings, where they would be held, number of representatives that would attend them and where they would be commuting from

Estimated revenue impacts to:

Indeterminate Impact

Estimated expenditure impacts to:

Indeterminate Impact

Part III: Preparation and Approval

Fiscal Note Analyst: Austin Scharff	Phone: 360-725-3126	Date: 01/31/2019
Leg. Committee Contact: Greg Vogel	Phone: 360-786-7413	Date: 01/24/2019
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/31/2019
OFM Review: Bryan Way	Phone: (360) 902-0650	Date: 02/01/2019

Part IV: Analysis

A. SUMMARY OF BILL

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

SECTION 3:

This section would establish the Functional Recovery Task Force, which would include local governments and first responders. These participants would be entitled to be reimbursed for travel requirements if they are elected officials or are participating on behalf of an employer, governmental entity, or other organization.

SECTION 4:

This section establishes a tax preference to incentivize property owners to seismically retrofit or construct new buildings to meet a functional recovery standard. By July 2025, the Department of Commerce, working with the Functional Recovery Task Force, the State Building Code Council, and interested stakeholders, would have to determine criteria for the types and quality of construction that meet a functional recovery standard.

By July 1, 2026, property owners who met those requirements would be eligible to apply to the assessor of the county in which the property is located for a property tax exemption for the costs of new construction or seismic retrofitting that meets the criteria of a functional recovery standard.

If the costs of new construction or seismic retrofitting exceed the annual property tax due for a property owner, the property owner would be able to apply the balance of the costs towards an exemption for property tax due in the succeeding year and the following years until the full costs of new construction or seismic retrofitting are recovered.

The Department of Commerce and the Department of Revenue would need to establish rules and regulations to administer the provisions of this section.

This section would expire July 1, 2036.

SECTION 6-8:

Local governments would be authorized to enact their own programs and incentives to encourage new construction or seismic retrofitting to meet a functional recovery standard.

SECTION 7:

This section establishes a grant program for improving the earthquake safety of unreinforced masonry buildings, to be developed and administered by the Department of Commerce. Property owners would be able to apply to the department for a grant to go toward seismic retrofit costs of unreinforced masonry buildings.

SECTION 8:

This section requires the military department to partner with local government jurisdictions and other entities to improve seismic risk reduction in Washington.

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.

POTENTIAL COSTS OF APPLYING FOR DEPARTMENT OF COMMERCE GRANTS:

Local governments would incur costs if they choose to apply for grant money under this legislation. The Local Government Fiscal Note (LGFN) Program assumes the cost of applying for a state grant ranges from \$10,000 to \$20,000. The number of applicants that would apply for the grants allocated under this legislation are not known; therefore, total costs for local governments applying for these grants is unknown.

POTENTIAL COSTS OF ESTABLISHING LOCAL PROGRAMS AND INCENTIVES:

Local governments that opt to establish their own local program and incentives would incur indeterminate costs from doing so. Which jurisdictions would choose so, and what types of programs and incentives they might adopt, are unknown. The City of Seattle has contracted with an outside organization to evaluate financing and funding options for unreinforced masonry building retrofits. But the report has yet to be published. It is expected to be completed by the end of the first quarter of 2019.

COSTS TO ATTEND STAKEHOLDER MEETINGS:

Local governments would incur indeterminate costs related to participating on the Functional Recovery Task Force and other stakeholder

meetings associated with this legislation. These costs are indeterminate because it is not known how many stakeholders would be required or volunteer to participate in these stakeholder meetings. It is also not known where they would come from or where they would be going to attending these meetings.

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.

POTENTIAL REVENUES FROM GRANT FUNDS:

Some local governments may experience an indeterminate influx of grant funds if this legislation were enacted. The Department of Commerce assumes that \$100 million in pass-through investments would be needed to begin having an impact on reinforcing these structures. Commerce assumes that the average contract award will be \$1,500,000, and financing for 66 buildings will be awarded in the first biennium. However, how much grant money would be distributed to local governments and to which ones is not known.

POTENTIAL REVENUES FROM STAKEHOLDER MEETING REIMBURSEMENTS:

Local governments that participate in stakeholder meetings would be reimbursed for participating. Reimbursement amounts and where they would be distributed to are not known, as the number of local government representatives that would be attending these meetings, where the meetings would be taking place, and the cost of attending them is unknown.

POTENTIAL REVENUE SHIFTS FROM TAX EXEMPTIONS:

This bill creates tax exemptions that are outside the scope of LGFN Program; the LGFN Program analyzes fiscal impacts up to five years from the time legislation is proposed. That said, it is worth noting, that the Washington State Association of County Assessors assumes that this legislation's proposed tax exemptions would shift taxes from commercial to residential taxpayers, and would create significant administrative costs for assessors as property owners seek to claim exemptions.

SOURCES:

Department of Commerce Fiscal Note SB 5557 (2019)

Military Department Fiscal Note SB 5557 (2019)

Seattle Office of Emergency Management

Washington State Association of County Assessors