

Multiple Agency Fiscal Note Summary

Bill Number: 1997 E S HB	Title: Manufactured/mobile homes
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Estimated Cash Receipts

Agency Name	2019-21		2021-23		2023-25	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Commerce	0	648,000	0	648,000	0	648,000
Department of Revenue	(63,000)	(69,000)	(71,000)	(79,000)	(75,000)	(83,000)
Department of Licensing	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Total \$	(63,000)	579,000	(71,000)	569,000	(75,000)	565,000

Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other		(20,999)		(24,000)		(24,000)
Local Gov. Total		(20,999)		(24,000)		(24,000)

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	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.0	7,400	7,400	.0	0	0	.0	0	0
Department of Licensing	.0	0	16,100	.0	0	0	.0	0	0
Total \$	0.0	7,400	23,500	0.0	0	0	0.0	0	0

Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Department of Licensing	.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

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Prepared by: Gwen Stamey, OFM	Phone: (360) 902-9810	Date Published: Final 4/ 4/2019
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Individual State Agency Fiscal Note

Revised

Bill Number: 1997 E S HB	Title: Manufactured/mobile homes	Agency: 103-Department of Commerce
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2020	FY 2021	2019-21	2021-23	2023-25
Mobile Home Park Relocation Account-Non-Appropriated 205-6	324,000	324,000	648,000	648,000	648,000
Total \$	324,000	324,000	648,000	648,000	648,000

Estimated Operating Expenditures from:

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: Claire Goodwin	Phone: 360-786-7736	Date: 03/29/2019
Agency Preparation: Brigid Henderson	Phone: 360-725-3035	Date: 04/04/2019
Agency Approval: Joyce Miller	Phone: 360-725-2723	Date: 04/04/2019
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 04/04/2019

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.

Differences between the engrossed substitute and the substitute bill:

Section 1 is a new section. It is the tax preference performance statement for the tax preference contained in section 6 of this act.

Section 1 (1) categorizes the tax preference as intended to induce certain designated behaviors by taxpayers as indicated in RCW 82.32.808 (2) (a).

Section 1 (2) states that the legislature's specific public policy objective is to preserve the affordable housing opportunities provided by existing manufactured/mobile home communities. It is also the legislature's intent to encourage owners to sell existing communities to tenants and eligible organizations by providing a real estate excise tax exemption.

Section 1 (3) requires the joint legislative audit and review committee, at a minimum, to review the number of housing units preserved as a result of qualified sales of manufactured/mobile home communities and the total amount of exemptions claimed. The committee must use data reported to the Department of Revenue to measure the effectiveness of the tax preference in achieving the specific public policy objective in subsection (2) of this section.

Section 1 (4) allows the joint legislative audit and review committee to use any other data it deems necessary to perform the evaluation under this section.

The remaining sections are renumbered consecutively and internal references are corrected accordingly.

Section 6 is removed and replaced with renumbered Section 7 which states Section 6 of this act expires January 1, 2030.

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 3 (3) (b) requires all moneys received from the fee specified in RCW 59.30.050 to be used only for the relocation coordination program created in section 8 of this act. RCW 59.30.050 requires an annual registration assessment for each manufactured/mobile home subject to RCW 59.20 within a manufactured/mobile home community. This annual registration assessment (fee) is deposited into the Manufactured/Mobile Home Dispute Resolution Program Account as created in RCW 59.30.070 (administered by the Washington State Department of Revenue (DOR)).

The department estimates approximately \$324,000 each fiscal year based on information provided January 4, 2019 DOR list of registered manufactured/mobile home parks, 64,758 spaces multiplied by \$5 per space.

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.

There is no impact to the department. The Department of Revenue is responsible for revenue management and the reporting associated to ESHB 1997.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

Part IV: Capital Budget Impact

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.

None

Department of Revenue Fiscal Note

Bill Number: 1997 E S HB	Title: Manufactured/mobile homes	Agency: 140-Department of Revenue
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Account	FY 2020	FY 2021	2019-21	2021-23	2023-25
GF-STATE-State 01 - Taxes 57 - Real Estate Excise	(29,000)	(34,000)	(63,000)	(71,000)	(75,000)
Public Works Assistance Account-State 01 - Taxes 57 - Real Estate Excise	(1,000)	(1,000)	(2,000)	(2,000)	(6,000)
Education Legacy Trust Account-State 01 - Taxes 57 - Real Estate Excise	(1,000)	(2,000)	(3,000)	(4,000)	
City County Assistance Account-State 01 - Taxes 57 - Real Estate Excise		(1,000)	(1,000)	(2,000)	(2,000)
Total \$	(31,000)	(38,000)	(69,000)	(79,000)	(83,000)

Estimated Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.1		0.0		
Account					
GF-STATE-State 001-1	7,400		7,400		
Total \$	7,400		7,400		

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: Claire Goodwin	Phone: 360-786-7736	Date: 03/29/2019
Agency Preparation: Beth Leech	Phone: 360-534-1513	Date: 04/02/2019
Agency Approval: Don Gutmann	Phone: 360-534-1510	Date: 04/02/2019
OFM Review: Kathy Cody	Phone: (360) 902-9822	Date: 04/02/2019

Request # 1997-2-1

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.

Note: This fiscal note reflects language in ESHB 1997, 2019 Legislative Session.

This version provides a new expiration date for the exemption.

Current law provides a real estate excise tax (REET) exemption for the qualified sale of a manufacturing/mobile home community after June 12, 2008 and before December 31, 2018. The state rate for REET is 1.28 percent of the selling price.

This bill changes the expiration date for the REET exemption for the qualified sales of a manufacturing/mobile home community to January 1, 2030.

The bill takes effect 90 days after final adjournment of the session in which it is enacted.

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

- Thirty five counties provide the Department of Revenue (Department) with transactions that are exempt from REET through an electronic system. Because the number of transactions for this exemption is so low, there is no estimate of the revenue loss in the other four counties.

DATA SOURCES

- Department Real Estate Excise Tax Administration System
- Economic and Revenue Forecast Council November 2018 Forecast

REVENUE ESTIMATES

This bill decreases state revenues by an estimated \$31,000 in the 10 months of impacted collections in Fiscal Year 2020, and by \$38,000 in Fiscal Year 2021, the first full year of impacted collections. This bill also decreases local revenues by an estimated \$10,000 in the 11 months of impacted collections in Fiscal Year 2020, and by \$11,000 in Fiscal Year 2021, the first full year of impacted collections.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2020 -	(\$ 31)
FY 2021 -	(\$ 38)
FY 2022 -	(\$ 39)
FY 2023 -	(\$ 40)
FY 2024 -	(\$ 41)
FY 2025 -	(\$ 42)

Local Government, if applicable (cash basis, \$000):

FY 2020 -	(\$ 10)
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FY 2021 - (\$ 11)
FY 2022 - (\$ 12)
FY 2023 - (\$ 12)
FY 2024 - (\$ 12)
FY 2025 - (\$ 12)

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.

FIRST YEAR COSTS:

The Department will incur total costs of \$7,400 in Fiscal Year 2020. These costs include:

Labor Costs – Time and effort equates to 0.07 FTEs.

- Amend one administrative rule.

Object Costs - \$4,400.

- Contract computer programming.

ONGOING COSTS:

There are no ongoing costs.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.1		0.0		
A-Salaries and Wages	2,100		2,100		
B-Employee Benefits	600		600		
C-Professional Service Contracts	4,400		4,400		
E-Goods and Other Services	100		100		
J-Capital Outlays	200		200		
Total \$	\$7,400		\$7,400		

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 2020	FY 2021	2019-21	2021-23	2023-25
EMS BAND 4	115,593	0.0		0.0		
MGMT ANALYST1	45,096	0.0		0.0		
TAX POLICY SP 2	68,580	0.0		0.0		
TAX POLICY SP 3	77,616	0.0		0.0		
TAX POLICY SP 4	83,556	0.0		0.0		
WMS BAND 3	98,308	0.0		0.0		
Total FTEs		0.1		0.1		

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.

Should this legislation become law, the Department will use the expedited process to amend WAC 458-61A-102, titled:

Request # 1997-2-1

"Definitions". Persons affected by this rule-making would include sellers of mobile home communities.

Individual State Agency Fiscal Note

Bill Number: 1997 E S HB	Title: Manufactured/mobile homes	Agency: 240-Department of Licensing
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
Account					
Manufactured/Mobile Home Dispute Resolution Program Account-State 12F-1	16,100	0	16,100	0	0
Total \$	16,100	0	16,100	0	0

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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☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Claire Goodwin	Phone: 360-786-7736	Date: 03/29/2019
Agency Preparation: Merdan Bazarov	Phone: 360-902-3795	Date: 04/01/2019
Agency Approval: Justin Leppa	Phone: 360-902-3644	Date: 04/01/2019
OFM Review: Veronica Jarvis	Phone: (360) 902-0649	Date: 04/02/2019

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.

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

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
12F-1	Manufactured/Mobile Home Dispute Resolution Program Account	State	16,100	0	16,100	0	0
Total \$			16,100	0	16,100	0	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	900		900		
B-Employee Benefits	400		400		
C-Professional Service Contracts					
E-Goods and Other Services	14,800		14,800		
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 \$	16,100	0	16,100	0	0

III. D - Expenditures By Program (optional)

Program	FY 2020	FY 2021	2019-21	2021-23	2023-25
Mgmt & Support Services (100)	1,000		1,000		
Information Services (200)	15,100		15,100		
Total \$	16,100		16,100		

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

Agency 240 – Department of Licensing

Bill Number: 1997 ESHB

Bill Title: Manufactured/mobile homes

Part 1: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts

Non-zero but indeterminate cash receipts. Please see discussion.

Estimated Expenditures:

		FY 20	FY 21	19-21 Total	21-23 Total	23-25 Total
FTE Staff Years		0.0	-	0.0	-	-
Account Name	Account	FY 20	FY 21	19-21 Total	21-23 Total	23-25 Total
Manufactured/Mobile Home Dispute Resolution Program Account	12F	16,100	-	16,100	-	-
Account Totals		16,100	-	16,100	-	-

The revenue 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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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Bill Hesketh	Phone: 360-902-7437	Date: 3/29/2019
Agency Preparation: Merdan Bazarov	Phone: 360-902-3795	Date: 4/1/2019
Agency Approval: Justin Leppa	Phone: 360-902-3644	Date: 4/1/2019

Request #	1
Bill #	1997 ESHB

Part 2 – Explanation

This bill changes the fee amounts for certificate of title for manufactured homes in a mobile home park.

ESHB 1997 compared to SHB 1997: ESHB 1997 makes the real estate tax exemption for qualified sales of manufactured/mobile home communities subject to an automatic 10-year expiration. This change is not expected to impact the Department of Licensing (DOL) fiscal note.

2.A – Brief Description Of What The Measure Does That Has Fiscal Impact

Fiscal impact is related to changes to DOL technology systems.

Section (2)(4) amends RCW 46.17.155, requiring the Department of Licensing (DOL) to collect the fees of 0.25 percent of the sale of the manufactured homes. The fee must be no less than one hundred dollars and no greater than five hundred dollars.

Section (3)(3)(b) amends RCW 59.30.050 and increases the annual assessment from ten dollars to fifteen dollars. The additional five dollars must be distributed to the mobile home park relocation fund created in RCW 59.21.050.

It is assumed internal and external communications and resources related to this change, as well as any increased customer service phone calls can be absorbed within existing resources.

This bill is effective 90 days past Sine Die.

2.B - Cash receipts Impact

Indeterminate impact to cash receipts.

Since the fee amount for these certificate of title transactions would be based on sale price of the individual manufactured mobile home, the fee would be a variable amount and the revenue impact of this fee change is indeterminate.

2.C – Expenditures

Information Services:

The agency will use appropriated funds to hire contract programmers to accomplish this work or to support current staff implementing this legislation within the required timeline. Appropriated funds may also be used to hire agency temporary staff to support permanent staff assigned to this legislative effort.

Any change requires a process to ensure changes are correctly applied to the system. This involves Project Managers that manage the team that completes the update, business analyst that documents and reviews the system changes, architect services that analyzes how the update could have an effect on other systems or DOL processes, developers who create the change, and testers and quality assurance teams that ensure the update is working correctly.

DOL will implement the following changes to DRIVES:

- New fee, account code, and fund code based on a 0.25 percent of the sales price of a manufactured home that cannot be less than one hundred dollars or more than five hundred dollars. Change includes adding an end date to the current manufactured home fee of one hundred dollars.

Cost Category	Description	Rate	2020	2021	2022	2023	2024	2025	Total Cost
TESTER	Test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	\$ 18,444	1,800	-	-	-	-	-	1,800
BUSINESS ANALYST	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	\$ 26,448	2,600	-	-	-	-	-	2,600
PROJECT MANAGER	Manage schedule and contracts	\$ 27,492	2,700	-	-	-	-	-	2,700
SECURITY AND ARCHITECT SERVICES	Create the conceptual model that defines the structure, behavior and framework of a computerized system including a breakdown of the system into components, the component interactions and interfaces (including with the environment, especially the user), and the technologies and resources to be used in the design.	\$ 27,144	2,700	-	-	-	-	-	2,700
CONTRACTED FAST DEVELOPER / TESTER	Updates to the DRIVES system will require additional vendor hours outside of the contracted maintenance to make system updates to implement this bill.	\$ 34,800	3,500	-	-	-	-	-	3,500
Project Contingency	Office of the Chief Information Officer designated rate of 10%	\$ -	1,300	-	-	-	-	-	1,300
Totals			14,600	-	-	-	-	-	14,600

Support Services:

Administrative support is included at a rate of twelve percent of the direct program costs. This percentage is split seven percent for Management and Support Services (MSS) and five percent for Information Services Division (ISD) functions. DOL uses a Fiscal Technician 2 (MSS) and an IT Specialist 4 (ISD) staffing costs as a proxy to determine FTE and display them under Indirect Staff in table 3.C.

Administrative support funding received covers agency-wide functions such as vendor payments, contract administration, financial management, mail processing, equipment management, help desk support, and technical assistance to DOL employees.

Part 3 – Expenditure Detail

3.A – Operating Budget Expenditures

Account Name	Account	FY 20	FY 21	19-21 Total	21-23 Total	23-25 Total
Manufactured/Mobile Home Dispute Resolution Program Account	12F	16,100	-	16,100	-	-
Account Totals		16,100	-	16,100	-	-

3.B – Expenditures by Object or Purpose

Object Name	FY 20	FY 21	19-21 Total	21-23 Total	23-25 Total
FTE Staff Years	0.0	-	0.0	-	-
Salaries and Wages	900	-	900	-	-
Employee Benefits	400	-	400	-	-
Goods and Services	14,800	-	14,800	-	-
Total By Object Type	16,100	-	16,100	-	-

3.B.1 – Detail of Expenditures by Sub-Object (Goods and Services Only)

Object E - Description	FY 20	FY 21	19-21 Total	21-23 Total	23-25 Total
ED - Facility/Lease Costs	100	-	100	-	-
EL - Interagency DP Svcs	100	-	100	-	-
ER - Application Programmers	14,600	-	14,600	-	-
Total Goods & Services	14,800	-	14,800	-	-

3.C – FTE Detail

Position	Salary	FY 20	FY 21	19-21 Total	21-23 Total	23-25 Total
Indirect MSS Fiscal Tech 2	3,249	0.0	-	0.0	-	-
Indirect ISD IT Specialist 4	6,793	0.0	-	-	-	-
Total FTE		0.0	-	0.0	-	-

Totals may differ due to rounding.

3.D – Expenditures by Program (Optional)

Program		FY 20	FY 21	19-21 Total	21-23 Total	23-25 Total
100 - Mgmt & Support Services	MSS	900	-	900	-	-
200 - Information Services	ISD	15,100	-	15,100	-	-
100 - Central Payment Area	CPA	100	-	100	-	-
Totals by Program		16,100	-	16,100	-	-

Part 4 – Capital Budget Impact

None.

Part 5 – New Rule Making Required

None.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1997 E S HB	Title: Manufactured/mobile homes
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

☒ Cities: Loss of Real Estate Excise Tax (REET) revenue

☒ 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:

☒ Key variables cannot be estimated with certainty at this time: Split in loss of REET revenue between counties, cities and special districts

Estimated revenue impacts to:

Jurisdiction	FY 2020	FY 2021	2019-21	2021-23	2023-25
City	(3,333)	(3,666)	(6,999)	(8,000)	(8,000)
County	(3,334)	(3,667)	(7,001)	(8,000)	(8,000)
Special District	(3,333)	(3,666)	(6,999)	(8,000)	(8,000)
TOTAL \$	(10,000)	(10,999)	(20,999)	(24,000)	(24,000)
GRAND TOTAL \$					(68,999)

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Allan Johnson	Phone: 360-725-5033	Date: 04/02/2019
Leg. Committee Contact: Claire Goodwin	Phone: 360-786-7736	Date: 03/29/2019
Agency Approval: Renee Martine-Tebow	Phone: 360-725-5045	Date: 04/02/2019
OFM Review: Veronica Jarvis	Phone: (360) 902-0649	Date: 04/02/2019

Part IV: Analysis

A. SUMMARY OF BILL

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

CHANGES FROM PREVIOUS BILL VERSION:

- the joint legislative audit an review committee must review the number of units that are preserved as a result of qualified sales.
- this provisions of Section 6 would expire at the end of January 1, 2030.

SUMMARY OF CURRENT BILL VERSION:

This legislation would revise the Manufactured Home Transaction Fee on sales of certain manufactured homes which are deposited into the Mobile Home Park Relocation Fund.

Annual fees paid by manufactured/mobile home parks based upon the number of units within the park would be changed from \$10 to \$15 per unit. Funds from the annual fee would be distributed to the Manufactured/Mobile Home Dispute Resolution Account and the Business License Account in a manner similar to the previous allocation formula. The additional \$5 collected per unit will be deposited into the Mobile Home Park Relocation Fund.

- creates a new program in Commerce for the purpose of assisting tenants of a mobile home park scheduled for closure or conversion to another use;
- requires the \$5 increase in the assessment for manufactured home to be used only for the program; and
- permanently reinstates the REET exemption for certain sellers transferring a manufactured/mobile home community and provides an exemption from the automatic 10-year expiration and other requirements for new tax preferences.

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.

CHANGES FROM PREVIOUS BILL VERSION:

There would be no changes to local government revenue expenditures from the previous bill version.

SUMMARY OF CURRENT BILL VERSION:

This legislation will not impact local government expenditures. This legislation will add revenue to the Mobile Home Park Relocation Fund. The fund does not provide services that impact local expenditures.

DISCUSSION:

This legislation only increases revenue to the Mobile Home Park Relocation Fund through a \$5 increase in the annual registration fee. It does not impact the revenue allocations to the Manufactured/Mobile Home Dispute Resolution Program or Business Licensing Service Program and therefore does not impact local expenditures.

Funds from the annual registration assessment of units subject to the Manufactured/Mobile Home Landlord-Tenant Act are currently used to fund the Manufactured/Mobile Home Dispute Resolution Program Account and the Business License Account. The Manufactured/Mobile Home Dispute Resolution Program does occasionally resolve code violation disputes between park owners/managers and tenants, thus reducing potential work load by municipal code enforcement officers. The Business Licensing Service Program operated by the Department of Revenue allows cities to partner with DOR to collect business license renewals on their behalf. This results in savings to the cities from having to operate their own business license program independently.

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.

CHANGES FROM PREVIOUS BILL VERSION:

There would be no changes to local government revenue impacts from the previous bill version.

SUMMARY OF CURRENT BILL VERSION:

This legislation would change Real Estate Excise Tax revenue for local governments by making the current exemption, set to expire on December 31, 2018, permanent. The Department of Revenue estimates this decrease would be \$10,000 during the 11 months of impacted collections in FY20 increasing to \$12,000 by FY22. The distribution of impacts between cities, counties and special districts is not specifically known. For the purposes of this analysis it has been split into even amounts for each level of government.

SOURCES:

Office of the Attorney General

Department of Revenue

City of Olympia



Multiple Agency Ten-Year Analysis Summary

Bill Number	Title
1997 E S HB	Manufactured/mobile homes

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

Estimated Cash Receipts

	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	2020-29 TOTAL
Department of Commerce	324,000	324,000	324,000	324,000	324,000	324,000	324,000	324,000	324,000	324,000	3,240,000
Department of Revenue	0	0	0	0	0	0	0	0	0	0	0
Department of Licensing Indeterminate Impact	0	0	0	0	0	0	0	0	0	0	0
Total	324,000	324,000	324,000	324,000	324,000	324,000	324,000	324,000	324,000	324,000	3,240,000



Ten-Year Analysis

Bill Number 1997 E S HB	Title Manufactured/mobile homes	Agency 103 Department of Commerce
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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

☐

Partially Indeterminate Cash Receipts

☐

Indeterminate Cash Receipts

Estimated Cash Receipts

Name of Tax or Fee	Acct Code	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	2020-29 TOTAL
	205	324,000	324,000	324,000	324,000	324,000	324,000	324,000	324,000	324,000	324,000	3,240,000
Total		324,000	324,000	324,000	324,000	324,000	324,000	324,000	324,000	324,000	324,000	3,240,000
Biennial Totals		648,000		648,000		648,000		648,000		648,000		3,240,000

Narrative Explanation (Required for Indeterminate Cash Receipts)

Section 3 (3) (b) requires all moneys received from the fee specified in RCW 59.30.050 to be used only for the relocation coordination program created in section 8 of this act. RCW 59.30.050 requires an annual registration assessment for each manufactured/mobile home subject to RCW 59.20 within a manufactured/mobile home community. This annual registration assessment (fee) is deposited into the Manufactured/ Mobile Home Dispute Resolution Program Account as created in RCW 59.30.070 (administered by the Washington State Department of Revenue (DOR)).

The department estimates approximately \$324,000 each fiscal year based on information provided January 4, 2019 DOR list of registered manufactured/mobile home parks, 64,758 spaces multiplied by \$5 per space.

Agency Preparation: Brigid Henderson	Phone: 360-725-3035	Date: 4/4/2019 4:36:44 pm
Agency Approval: Joyce Miller	Phone: 360-725-2723	Date: 4/4/2019 4:36:44 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number	Title	Agency
1997 E S HB	Manufactured/mobile homes	140 Department of Revenue

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

<input checked="" type="checkbox"/> No Cash Receipts	<input type="checkbox"/> Partially Indeterminate Cash Receipts	<input type="checkbox"/> Indeterminate Cash Receipts
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Name of Tax or Fee	Acct Code											
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Narrative Explanation (Required for Indeterminate Cash Receipts)

Note: This fiscal note reflects language in ESHB 1997, 2019 Legislative Session.

This version provides a new expiration date for the exemption.

Current law provides a real estate excise tax (REET) exemption for the qualified sale of a manufacturing/mobile home community after June 12, 2008 and before December 31, 2018. The state rate for REET is 1.28 percent of the selling price.

This bill changes the expiration date for the REET exemption for the qualified sales of a manufacturing /mobile home community to January 1, 2030.

The bill takes effect 90 days after final adjournment of the session in which it is enacted.

ASSUMPTIONS

- Thirty five counties provide the Department of Revenue (Department) with transactions that are exempt from REET through an electronic system . Because the number of transactions for this exemption is so low, there is no estimate of the revenue loss in the other four counties.

DATA SOURCES

- Department Real Estate Excise Tax Administration System
- Economic and Revenue Forecast Council November 2018 Forecast

REVENUE ESTIMATES

This bill decreases state revenues by an estimated \$31,000 in the 10 months of impacted collections in Fiscal Year 2020, and by \$38,000 in Fiscal Year 2021, the first full year of impacted collections. This bill also decreases local revenues by an estimated \$10,000 in the 11 months of impacted collections in Fiscal Year 2020, and by



Ten-Year Analysis

Bill Number	Title	Agency
1997 E S HB	Manufactured/mobile homes	140 Department of Revenue

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>.

Narrative Explanation (Required for Indeterminate Cash Receipts)

\$11,000 in Fiscal Year 2021, the first full year of impacted collections.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2020 - (\$ 31)
FY 2021 - (\$ 38)
FY 2022 - (\$ 39)
FY 2023 - (\$ 40)
FY 2024 - (\$ 41)
FY 2025 - (\$ 42)

Local Government, if applicable (cash basis, \$000):

FY 2020 - (\$ 10)
FY 2021 - (\$ 11)
FY 2022 - (\$ 12)
FY 2023 - (\$ 12)
FY 2024 - (\$ 12)
FY 2025 - (\$ 12)

Agency Preparation: Beth Leech	Phone: 360-534-1513	Date: 4/2/2019 9:41:02 am
Agency Approval: Don Gutmann	Phone: 360-534-1510	Date: 4/2/2019 9:41:02 am
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 1997 E S HB	Title Manufactured/mobile homes	Agency 240 Department of Licensing
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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

☐

Partially Indeterminate Cash Receipts

☒

Indeterminate Cash Receipts

Estimated Cash Receipts

Name of Tax or Fee	Acct Code											
Total												

Biennial Totals

Narrative Explanation (Required for Indeterminate Cash Receipts)

Indeterminate impact to cash receipts.

Since the fee amount for these certificate of title transactions would be based on sale price of the individual manufactured mobile home, the fee would be a variable amount and the revenue impact of this fee change is indeterminate.

Agency Preparation: Merdan Bazarov	Phone: 360-902-3795	Date: 4/1/2019 4:02:21 pm
Agency Approval: Justin Leppa	Phone: 360-902-3644	Date: 4/1/2019 4:02:21 pm
OFM Review:	Phone:	Date: