

Multiple Agency Fiscal Note Summary

Bill Number: 6305 SB	Title: Library districts
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Estimated Cash Receipts

NONE

Agency Name	2019-21		2021-23		2023-25	
	GF- State	Total	GF- State	Total	GF- State	Total
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 Operating Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of the Secretary of State	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
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
Office of the Secretary of State	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.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: Ramona Nabors, OFM	Phone: (360) 902-0547	Date Published: Final 3/13/2020
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Individual State Agency Fiscal Note

Bill Number: 6305 SB	Title: Library districts	Agency: 085-Office of the Secretary of State
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Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ 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: Elizabeth Allison	Phone: 360-786-7129	Date: 02/18/2020
Agency Preparation: Kathy Cody	Phone: (360) 704-5215	Date: 02/21/2020
Agency Approval: Mark Neary	Phone: 360-902-4186	Date: 02/21/2020
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 02/21/2020

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 on the Office of the Secretary of State because counties and local jurisdictions are responsible for conducting elections of this nature.

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

NONE

III. B - Expenditures by Object Or Purpose

NONE

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*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

Part V: New Rule Making Required

Department of Revenue Fiscal Note

Bill Number: 6305 SB	Title: Library districts	Agency: 140-Department of Revenue
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Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ 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: Elizabeth Allison	Phone: 360-786-7129	Date: 02/18/2020
Agency Preparation: Erikka Ferrara	Phone: 360-534-1517	Date: 02/18/2020
Agency Approval: Don Gutmann	Phone: 360-534-1510	Date: 02/18/2020
OFM Review: Ramona Nabors	Phone: (360) 902-0547	Date: 02/19/2020

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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.

CURRENT LAW:

The maximum term of nonvoter approved general obligation bonds for library districts is six years. Additionally, library districts must separately propose the formation of a library facility and the taxing authority for voter approval.

PROPOSED LAW:

This bill extends the maximum term of nonvoter approved general obligation bonds for rural, intercounty, and island library districts from a maximum of six years to twenty years. These library districts may also propose formation and taxation authority in a single ballot proposition.

EFFECTIVE DATE:

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.

This legislation results in no revenue impact to the state property tax.

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

III. A - Expenditures by Object Or Purpose

NONE

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. C - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

NONE

None.

Part V: New Rule Making Required

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 6305 SB

Title: Library districts

Part I: Jurisdiction—Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☐ Cities:
- ☒ Counties: Changes to election related costs
- ☒ Special Districts: Indeterminate change to expenditures by library districts
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☒ Legislation provides local option: Terms of nonvoter general obligation bonds could be extended; formation and taxation authority could be combined in a single ballot proposition
- ☒ Key variables cannot be estimated with certainty at this time: Net changes in bond issuances and bond term length; number of consolidated ballot measures

Estimated revenue impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Allan Johnson	Phone: 360-725-5033	Date: 02/19/2020
Leg. Committee Contact: Elizabeth Allison	Phone: 360-786-7129	Date: 02/18/2020
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/19/2020
OFM Review: Ramona Nabors	Phone: (360) 902-0547	Date: 02/19/2020

Part IV: Analysis

A. SUMMARY OF BILL

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

For rural, intercounty, and island library districts, the maximum term of nonvoter approved general obligation bonds is extended from six to twenty years. These library districts may also propose formation and taxation authority in a single ballot proposition rather than separately.

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.

Jurisdictions electing to issue 20 year bonds, instead of 6 year bonds, would likely experience an indeterminate reduction in annual costs. While these jurisdictions would likely incur a higher interest rate, they would experience a net reduction in annual costs and would also likely realize a reduction in cumulative issuance fees. It is likely that one or more districts would elect to use the longer term financing instead of the current 6 year term limit. However, the number of districts utilizing these provisions cannot be estimated.

Costs to county auditors for election costs associated with the formation of library districts and establishment of taxation authority could be reduced if these election measures were consolidated as allowed by this legislation. The number of these elections and the net reduction in ballot measures through consolidation of propositions cannot be predicted in advance and are indeterminate.

BACKGROUND:

The Municipal Research and Services Center (MRSC) indicates there are currently 42 rural, rural-partial, intercounty, and island library districts. A large number of cities have annexed into these districts and or contract with them for services. The Local Government Fiscal Note Program estimates 187 jurisdictions have annexed into a library district and an additional 28 have contracted with these districts to provide service within their jurisdictions based upon information from MRSC. The MRSC data indicates there are 64 cities that provide libraries currently although these districts could elect to annex to library districts in the future.

The Office of the Secretary of State indicates there have been two elections to form or establish library districts over the past 10 years.

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.

Library districts would have the option to pursue longer terms for nonvoter general obligation bonds. Jurisdictions that elect to use longer terms for bonds would increase certainty about financial resources but the impact of this change is indeterminate and will depend upon the terms of the bond.

Local governments would also have the option to pursue a consolidated bond measure for formation and taxation authority. The impact of this action on local government revenue is unknown and would depend upon the outcome of the election.

SOURCES:

Local Government Fiscal Note Program Unit Cost Data (2020)
Municipal Research and Services Center
Office of the Secretary of State