

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5160 SB	<b>Title:</b> Landlord-tenant relations
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## Estimated Cash Receipts

NONE

Agency Name	2021-23		2023-25		2025-27	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts	Fiscal note not available					
Loc School dist-SPI						
Local Gov. Other						
Local Gov. Total						

## Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Administrative Office of the Courts	Fiscal note not available											
Office of Civil Legal Aid	3.0	24,599,627	24,599,627	24,599,627	3.0	24,180,713	24,180,713	24,180,713	3.0	25,655,241	25,655,241	25,655,241
Office of Attorney General	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Commerce	1.1	287,722	287,722	287,722	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>4.1</b>	<b>24,887,349</b>	<b>24,887,349</b>	<b>24,887,349</b>	<b>3.0</b>	<b>24,180,713</b>	<b>24,180,713</b>	<b>24,180,713</b>	<b>3.0</b>	<b>25,655,241</b>	<b>25,655,241</b>	<b>25,655,241</b>

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	Fiscal note not available								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

## Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	Fiscal note not available								
Office of Civil Legal Aid	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	Fiscal note not available								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

**Estimated Capital Budget Breakout**

NONE

Still awating AOC

<b>Prepared by:</b> Tyler Lentz, OFM	<b>Phone:</b> (360) 790-0055	<b>Date Published:</b> Preliminary 1/21/2021
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5160 SB	<b>Title:</b> Landlord-tenant relations	<b>Agency:</b> 057-Office of Civil Legal Aid
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	3.0	3.0	3.0	3.0	3.0
<b>Account</b>					
General Fund-State 001-1	13,034,900	11,564,727	24,599,627	24,180,713	25,655,241
<b>Total \$</b>	13,034,900	11,564,727	24,599,627	24,180,713	25,655,241

### 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: Brandon Popovac	Phone: 360-786-7465	Date: 01/12/2021
Agency Preparation: Jim Bamberger	Phone: (360) 704-4135	Date: 01/20/2021
Agency Approval: Jim Bamberger	Phone: (360) 704-4135	Date: 01/20/2021
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 01/20/2021

## 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 5160 makes a number of changes to the unlawful detainer and eviction process in Washington State. Relevant to the Office of Civil Legal Aid (OCLA), sections 6 and 7 of the bill establish a right to counsel for indigent tenants and directs that, subject to appropriation, the Office of Civil Legal Aid contract with attorneys and agencies to represent tenants for whom an attorney is to be appointed.

Sec. 6(1) requires the court to appoint an attorney for indigent tenants at any show cause hearing or scheduled trial. Subject to availability of amounts appropriated to pay for such attorney representation, the state, through the Office of Civil Legal Aid (OCLA) must pay for the costs of legal services.

Section 6(3) defines the term “indigent” for the purpose of appointing counsel for indigent tenants. The provision is consistent with the standard set forth in 10.101.010, Supreme Court GR 34, and current income eligibility requirements for state-funded civil legal aid. Field service experience from programs representing tenant defendants indicates that at least 80% of tenant defendants in filed Residential Landlord Tenant Act unlawful detainer actions will meet the indigency standard.

Sec. 7(1) assigns responsibility for establishing a statewide tenant representation contract attorney program to OCLA. Under section (7)(1), OCLA is directed to enter into contracts with attorneys and agencies to provide such representation within appropriated amounts.

Section 7(2) acknowledges that it will take time to fully and effectively implement the right to counsel in all counties and directs OCLA to develop and submit a plan to the appropriate legislative committees and the Administrative Office of the Courts outlining how the tenant representation will be fully implemented within 12 months from the effective date of the bill.

Assumptions used for this fiscal note:

1. Due to a combination of indigency standards (unknown percentage of tenant defendants who will not be eligible for appointment of counsel), percentage of unfiled case commencements (pocket filed cases) and percentage of defaults (cases where the tenant does not appear/respond), OCLA predicts that courts will be required to appoint attorneys in about 60% of all filed unlawful detainer actions.
2. Attorneys fully dedicated to eviction defense practice handle on average 150 cases per year and maintain an average open caseload of 15 unlawful detainer cases at any particular time.
3. Contract attorneys are compensated at \$150/hr. and will average 4 hours per case.
4. The fully loaded cost of dedicated FTE attorneys is \$160,000/yr.
5. OCLA to add 3 FTE staff to administer the program – a Program Manager (attorney), a staff attorney, and a contracts manager.
6. OCLA to establish and underwrite a central coordinating hub for the receipt of orders of appointment and assignment of attorneys in Snohomish, Pierce, and King Counties.
7. OCLA to establish and underwrite a statewide eviction defense training and support center (either at OCLA or with a qualified third-party contractor). This FN assumes that the function is contracted out.
8. There will be a large first wave of post-moratorium evictions requiring short-term extraordinary contract attorney involvement; 10,000 cases @ 4hr./case \* 150 = \$6,000,000 one-time expense.
9. After the first wave of post-moratorium evictions, the baseline level of filed evictions will revert to 2016

levels as documented in JIS system data.

With these assumptions and using 2016 court filing data provided by the Administrative Office of the Courts, OCLA projects FY 2022 expense at \$13.035M, including a one-time expense of \$6,000,000 to address the first wave of post-moratorium evictions. Once fully implemented, program expenses annualize at \$11.565M. Costs of operations are projected to increase at 3%/year. See attached spreadsheet.

## 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.

Ensures effective implementation of the right to counsel provisions of SB 5160

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	13,034,900	11,564,727	24,599,627	24,180,713	25,655,241
<b>Total \$</b>			13,034,900	11,564,727	24,599,627	24,180,713	25,655,241

### III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	3.0	3.0	3.0	3.0	3.0
A-Salaries and Wages	230,000	227,900	457,900	499,025	532,824
B-Employee Benefits	70,400	72,512	142,912	151,590	160,849
C-Professional Service Contracts	12,698,000	11,236,815	23,934,815	23,473,734	24,903,285
E-Goods and Other Services	24,000	15,000	39,000	31,364	33,283
G-Travel	12,500	12,500	25,000	25,000	25,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	13,034,900	11,564,727	24,599,627	24,180,713	25,655,241

### 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 2022	FY 2023	2021-23	2023-25	2025-27
Eviction Defense Contract Manager	55,000	1.0	1.0	1.0	1.0	1.0
Eviction Defense Program Attorney	85,000	1.0	1.0	1.0	1.0	1.0
Eviction Defense Program Manager	90,000	1.0	1.0	1.0	1.0	1.0
<b>Total FTEs</b>		3.0	3.0	3.0	3.0	3.0

### 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

### IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

## Part V: New Rule Making Required

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5160 SB	<b>Title:</b> Landlord-tenant relations	<b>Agency:</b> 100-Office of Attorney General
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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: Brandon Popovac	Phone: 360-786-7465	Date: 01/12/2021
Agency Preparation: Stacia Hollar	Phone: (360) 664-0865	Date: 01/14/2021
Agency Approval: Dianna Wilks	Phone: 360-709-6463	Date: 01/14/2021
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 01/21/2021

## 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. This legislation is not expected to generate any costs or savings for the Attorney General's Office (AGO). The AGO completed an analysis for legal services and fiscal impact from the most likely state agencies.

The AGO Agriculture & Health Division (AHD) has reviewed this bill and determined it will not significantly increase the division's workload in representing the Department of Commerce (COM). AHD assumes that administration of additional landlord assistance programs under Section 10 would align with COM's current administration of landlord assistance under RCW 59.18.410, requiring few additional legal services. Costs are not included in this request.

The AGO Civil Rights Division (CRD) has reviewed this bill and determined it will not increase or decrease the division's workload in representing the Human Rights Commission (HRC). The enactment of this bill assigns no mandatory enforcement duties to the AGO. CRD will have discretionary authority to enforce this bill, but that enforcement will be conducted through current resources. New legal services are assumed to be nominal and costs are not included in this request.

The Solicitor General's Office has reviewed this bill and determined it will not increase or decrease the division's workload in representing the Office of Civil Legal Aid (OCLA). OCLA will contract with private attorneys to provide the services required under the bill, and they're quite familiar with the process for doing so. Costs are not included in this request.

### 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

**IV. D - Capital FTE Detail:** *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

**Part V: New Rule Making Required**

# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 5160 SB	<b>Title:</b> Landlord-tenant relations	<b>Agency:</b> 103-Department of Commerce
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	1.1	1.1	1.1	0.0	0.0
<b>Account</b>					
General Fund-State 001-1	145,861	141,861	287,722	0	0
<b>Total \$</b>	145,861	141,861	287,722	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.*

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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: Brandon Popovac	Phone: 360-786-7465	Date: 01/12/2021
Agency Preparation: Tedd Kelleher	Phone: 360-725-2930	Date: 01/18/2021
Agency Approval: Joyce Miller	Phone: 360-725-2710	Date: 01/18/2021
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 01/18/2021

## 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.*

The proposed legislation increases protections, provide legal representation in eviction cases, and provides access to landlords to state rent assistance programs.

Sections 3 through 5 add new section to Chapter 59.18 increasing tenant protections.

Sections 6 through 9 provide tenants a right to counsel in eviction cases.

Section 10 adds a new section to Chapter 43.185C requiring the Department of Commerce to provide access to any rental assistance programs administered by the department. Modifying existing programs that provide rent assistance to tenants with leases, providing a process for landlords for each of those programs to initiate the request for assistance.

Sections 11 through 19 increase tenant protections.

### 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.*

Section 10 requires the Department of Commerce to provide access to any rental assistance programs administered by the department. Modifying existing programs that provide rent assistance to tenants with leases, providing a process for landlords for each of those programs to initiate the request for assistance, would require a Commerce Specialist 3 for July 2021 through June 2023.

1.0 FTE Commerce Specialist 3 (2,088 hours) FY22-FY23 to convene a temporary advisory group of representatives of landlords, local housing administrators, tenant advocates, and people with lived experience of homelessness to guide implementation of this requirement. The advisory group would meet, via remote conferences, at least monthly from August 2021 through July 2022, to make recommendations regarding program changes and monitor implementation.

The position, in cooperation with programs within the department, would draft necessary contract changes, and develop model landlord application processes for the variety of program that offer rent assistance to preserve tenancies as an allowable cost. The position would ensure new eviction prevention rent assistance programs started after May 2021, would include the new requirements and related processes for landlords to apply for assistance, and work to modify existing programs within the department that provide rent assistance to preserve existing tenancies to include a pathway for landlords to apply for assistance no later than July 2022.

The position would provide direct and ongoing technical assistance to implement the new grant requirements with at least 35 department grantees (primarily county governments), and the more than 200 subgrantees (primarily local non profit organizations) who process and pay rent assistance payments. Assistance would

include group trainings on contract requirements and implementation of best practices, one-on-one assistance integrating the new landlord access requirements into existing unique local program process flows and organizational structures.

Existing programs that provide rent assistance to preserve existing tenancies that would require modification include the Consolidated Homeless Grant, the federal Emergency Solutions Grant, federal Tenant Based Rental Assistance, and assistance managed by the Office of Homeless Youth.

Salaries and Benefits:

FY22-FY23: \$101,927 per fiscal year

Goods and Services:

FY22-FY23: \$5,279 per fiscal year

Equipment:

FY22: \$4,000

Intra-agency Reimbursements:

FY22-FY23: \$34,655 per fiscal year

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Total Costs:

FY22: \$145,861

FY23: \$141,861

Note: Standard goods and services costs include supplies and materials, employee development and training, Attorney General costs, and central services charges.

Intra-agency Reimbursement-Agency administration costs (e.g., payroll, HR, IT,) are funded under a federally approved cost allocation plan.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	145,861	141,861	287,722	0	0
Total \$			145,861	141,861	287,722	0	0

**III. B - Expenditures by Object Or Purpose**

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	1.1	1.1	1.1		
A-Salaries and Wages	74,196	74,196	148,392		
B-Employee Benefits	27,731	27,731	55,462		
C-Professional Service Contracts					
E-Goods and Other Services	5,279	5,279	10,558		
G-Travel					
J-Capital Outlays	4,000		4,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	34,655	34,655	69,310		
9-					
<b>Total \$</b>	145,861	141,861	287,722	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 2022	FY 2023	2021-23	2023-25	2025-27
Administrative Services - Indirect	69,552	0.1	0.1	0.1		
Commerce Specialist 3	74,196	1.0	1.0	1.0		
<b>Total FTEs</b>		1.1	1.1	1.1		0.0

**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

**IV. D - Capital FTE Detail:** List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB

NONE

**Part V: New Rule Making Required**