

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1421 HB	<b>Title:</b> Utility service charges
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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						
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	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	.0	0	0	0	.0	0	0	0	.0	0	0	0
Utilities and Transportation Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Utilities and Transportation Commission	.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>

## Estimated Capital Budget Breakout

NONE

<b>Prepared by:</b> Jenna Forty, OFM	<b>Phone:</b> (564) 999-1671	<b>Date Published:</b> Final 2/ 8/2021
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1421 HB	<b>Title:</b> Utility service charges	<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:

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: Dawn Eychaner	Phone: 360-786-7135	Date: 02/02/2021
Agency Preparation: Marla Page	Phone: 360-725-3129	Date: 02/06/2021
Agency Approval: Joyce Miller	Phone: 360-725-2710	Date: 02/06/2021
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 02/08/2021

## 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.*

Section 1(1) amends RCW 35.21.217 to define "utility or service".

Section 1(3) amends RCW 35.21.217 stating that when a city or town provides utility services to someone other than the property owner or owner's designee, the city or town is prohibited from collecting delinquent utility charges from the owner or the owner's designee. If a property owner fails to notify the city or town in writing that the residential tenant has vacated the premises within fourteen days of their vacation, the city or town may collect delinquent utility charges from the owner or owner's designee. When a city or town provides services to a new residential tenant utility customer, the city or town is prohibited from collecting delinquent utility charges connected to the property or premises from the new customer.

### 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.*

There is no impact to the department. The department does not execute or implement the activities stated in HB 1421.

## 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

<b>Bill Number:</b> 1421 HB	<b>Title:</b> Utility service charges	<b>Agency:</b> 215-Utilities and Transportation Commission
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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: Dawn Eychaner	Phone: 360-786-7135	Date: 02/02/2021
Agency Preparation: Amanda Hathaway	Phone: 360-664-1249	Date: 02/02/2021
Agency Approval: Amanda Hathaway	Phone: 360-664-1249	Date: 02/02/2021
OFM Review: Jenna Forty	Phone: (564) 999-1671	Date: 02/02/2021

## 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.*

This bill affects local government utilities, not any that the commission regulates. Therefore there is no fiscal impact to the UTC.

### 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**

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

**Bill Number:** 1421 HB

**Title:** Utility service charges

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

### Legislation Impacts:

☒ Cities: Cities that operate utilities

☐ Counties:

☐ Special Districts:

☐ 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: Degree to which local governments' ability to recover costs for services would be reduced

### Estimated revenue impacts to:

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

### Estimated expenditure impacts to:

None

## Part III: Preparation and Approval

Fiscal Note Analyst: Emily Strange	Phone: (360) 890-1048	Date: 02/08/2021
Leg. Committee Contact: Dawn Eychaner	Phone: 360-786-7135	Date: 02/02/2021
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/08/2021
OFM Review: Jenna Forty	Phone: (564) 999-1671	Date: 02/08/2021



## **Part IV: Analysis**

### **A. SUMMARY OF BILL**

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

This bill would repeal provisions allowing for city owned utilities to place liens on properties for unpaid utility bills, specifically in situations when the unpaid bills were in service to a tenant on the property and not the property owner.

SECTION 1: Provides a definition of utility to include electricity, natural or liquid propane gas, oil, water, hot water, heat, sewer service, public services, an garbage collection and disposal. Removes language about cities and towns being allowed to place liens upon homes in the event of a that a tenant becomes delinquent. Prohibits cities and towns from collecting delinquent utility charges from the owner if the charges were under a tenant's name. They can only collect payments from the tenant.

However, if the owner does not provide the city or town 14-days notice that the tenant has vacated the property, the city or town will be allowed to collect from the owner.

Cities and towns cannot also go after the tenant after the tenant with delinquent utility bills.

This doesn't apply to commercial and industrial properties.

### **B. SUMMARY OF EXPENDITURE IMPACTS**

*Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.*

This bill would not impact local government expenditures.

### **C. SUMMARY OF REVENUE IMPACTS**

*Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.*

This bill would have potential impacts on local government revenues. Removing the ability to hold liens on property would limit the local governments' ability to recover costs for services in the case of tenant delinquency. The Local Government Fiscal Note Program assumes city-owned utilities would utilize security deposits to offset risks and mitigate most of the potential cost of this bill. Stakeholders have also suggested rate increases to all utility customers may be used to offset potential costs of this bill.

#### **SOURCES:**

Local Government Fiscal Note Program Fiscal Note HB 1705 (2019)