

Multiple Agency Fiscal Note Summary

Bill Number: 5160 2S SB	Title: Landlord-tenant relations
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Estimated Cash Receipts

NONE

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	2.0	395,908	395,908	395,908	.3	49,489	49,489	49,489	.0	0	0	0
Administrative Office of the Courts	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Office of Civil Legal Aid	3.0	22,250,008	22,250,008	22,250,008	3.0	23,998,788	23,998,788	23,998,788	3.0	25,460,315	25,460,315	25,460,315
Office of Attorney General	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Commerce	2.5	669,588	669,588	669,588	.0	0	0	0	.0	0	0	0
Department of Commerce	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Total \$	7.5	23,315,504	23,315,504	23,315,504	3.3	24,048,277	24,048,277	24,048,277	3.0	25,460,315	25,460,315	25,460,315

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	Non-zero but indeterminate cost and/or savings. Please see discussion.								
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	.0	0	0	.0	0	0	.0	0	0
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
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Prepared by: Gaius Horton, OFM	Phone: (360) 819-3112	Date Published: Final 3/ 2/2021
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Judicial Impact Fiscal Note

Bill Number: 5160 2S SB	Title: Landlord-tenant relations	Agency: 055-Administrative Office of the Courts
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

STATE	FY 2022	FY 2023	2021-23	2023-25	2025-27
State FTE Staff Years	2.0	2.0	2.0	.3	
Account					
General Fund-State 001-1	197,954	197,954	395,908	49,489	
State Subtotal \$	197,954	197,954	395,908	49,489	
COUNTY	FY 2022	FY 2023	2021-23	2023-25	2025-27
County FTE Staff Years					
Account					
Local - Counties					
Counties Subtotal \$					
CITY	FY 2022	FY 2023	2021-23	2023-25	2025-27
City FTE Staff Years					
Account					
Local - Cities					
Cities Subtotal \$					

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

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.

Legislative Contact: Trevor Press	Phone: 360-786-7446	Date: 02/23/2021
Agency Preparation: Sam Knutson	Phone: 360-704-5528	Date: 02/25/2021
Agency Approval: Ramsey Radwan	Phone: 360-357-2406	Date: 02/25/2021
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 02/26/2021

167,173.00

Request # 5160 2SSB-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact on the Courts

Please see attached Judicial Impact Note (JIN).

II. B - Cash Receipts Impact

II. C - Expenditures

Part III: Expenditure Detail

III. A - Expenditure By Object or Purpose (State)

<i>State</i>	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	2.0	2.0	2.0	.3	
Salaries and Wages	137,450	137,450	274,900	34,363	
Employee Benefits	60,504	60,504	121,008	15,126	
Professional Service Contracts					
Goods and Other Services					
Travel					
Capital Outlays					
Inter Agency/Fund Transfers					
Grants, Benefits & Client Services					
Debt Service					
Interagency Reimbursements					
Intra-Agency Reimbursements					
Total \$	197,954	197,954	395,908	49,489	

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditure By Object or Purpose (County)

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

III. C - Expenditure By Object or Purpose (City)

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

III. D - FTE Detail

<i>Job Classification</i>	<i>Salary</i>	FY 2022	FY 2023	2021-23	2023-25	2025-27
Court Program Specialist		1.0	1.0	1.0	0.1	
Senior Financial Analyst		1.0	1.0	1.0	0.1	
Total FTEs		2.0	2.0	2.0	0.3	0.0

III. E - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

167,173.00

Form FN (Rev 1/00)

2

Request # 5160 2SSB-1

Bill # 5160 2S SB

NONE

IV. B1 - Expenditures by Object Or Purpose (State)

NONE

IV. B2 - Expenditures by Object Or Purpose (County)

NONE

IV. B3 - Expenditures by Object Or Purpose (City)

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 II: Narrative Explanation

This bill would:

- Prohibit landlords from terminating or refusing to renew a rental lease that expires at the end of the lease term or is subject to a twenty day termination notice after expiration of any public health emergency, with some specified exceptions;
- Authorize tenants adversely impacted by COVID to terminate their tenancy upon a twenty-day notice;
- Prohibit landlords from charging or imposing late fees or other charges for nonpayment of rent during any public health emergency;
- Require landlords, prior to any collection action for unpaid rent accrued during the Governor's eviction moratorium or during any public health emergency, to first offer tenants a repayment plan based on the financial, health, or other circumstances of the tenant;
- Require a court to appoint counsel for indigent tenants at the initial hearing and at trial and for the state to pay the costs of such legal services (subject to appropriation);
- Require the Department of Commerce (COM) to authorize landlord access to state rental assistance programs;
- Require a court to seal unlawful detainer actions unless the landlord prevails at the initial hearing or trial or any default judgment is not vacated or set aside within sixty days of the complaint filing; and
- Eliminate the optional notice for landlords to use in nonpayment of rent cases that instruct tenants to pay into the court registry the rent allegedly owed or file a statement denying rent is owed.

Part II.A – Brief Description of what the Measure does that has fiscal impact on the Courts

This bill differs from SSB 5160:

- Would limit tenant protections for past due rent and late fees only to charges incurred during a public health emergency;
- Would remove the two-year prohibition on terminating a tenancy or refusing to renew a rental agreement;
- Would make revisions to the landlord mitigation program; and
- Would make revisions to mandatory rental repayment plan terms and requirements;
- Would provide that legal representation services must be prioritized in counties with the most evictions.

This bill would provide tenants with additional rights and protections during an eviction process.

A tenant's right to possess a dwelling cannot be conditioned on the payment of rent during the eviction moratorium period. Tenants can terminate the rental agreement early and a landlord cannot seek any penalties for the early termination.

Landlords must offer tenants repayment plans for past due rent before initiating a collections action.

II.B - Cash Receipt Impact

None.

II.C – Expenditures

Fiscal impact is partially indeterminate, but expected to be significant. It is unknown how many cases this bill may create, but it is possible / likely to be in the tens of thousands.

In addition to the substantially increased caseload, it is expected that (on average) cases will take longer and additional hearings will be required for each case. For example, cases that require an appointed attorney will require an appointment hearing where previously none was needed. Additional hearings and proceedings are likely to substantially increase judicial officer time, and would likely require the appointment of additional judicial officers (judge, court commissioners, and staff).

Section 7(1) – Would require the AOC to contract with DRC’s within or serving each county to establish a court-based eviction resolution pilot program operated in accordance with Supreme Court Order 25700-B-639 and any standing judicial order of the individual superior court.

Section 7(5) – Would require the AOC to establish program participation requirements for both the landlord and tenants consistent with any standing judicial order in effect.

Section 7(6) – Would require [permissive: “may”] the AOC to establish and produce any other notice forms and requirements as necessary to implement the eviction resolution pilot program.

Section 7(7) – Section 8 would expire July 1, 2023.

AOC Staff would develop, manage and maintain the grant/contract program within the parameters of the court order and this proposal.

NOTE: It is estimated that \$4.3 million per year would be needed for all dispute resolution centers to participate in the program as described in this bill. Detailed information will be provided upon request.

Table I – AOC Staff Cost Detail

Cost Category	FY 2022	FY 2023	Biennium Total	FY 2024
Senior Financial Analyst (range 52)	1.0	1.0	1.0	0.3
Salaries	65,928	65,928	131,856	16,482
Benefits	25,688	25,688	51,376	6,422
Total	91,616	91,616	183,232	22,904
 				
Court Program Specialist (range 55)	1.0	1.0	1.0	0.3
Salaries	71,522	71,522	143,044	17,881
Benefits	34,816	34,816	69,632	8,704
Total	106,338	106,338	212,676	26,585
 				
Cost Summary				
Cost Category	FY 2022	FY 2023	Biennium Total	FY 2024
FTE	2.0	2.0	2.0	0.5
Salaries	137,450	137,450	274,900	34,363
Benefits	60,504	60,504	121,008	15,126
Total	197,954	197,954	395,908	49,489

Part III: Expenditure Detail

III.A – Expenditures by Object or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE – Staff Years	2.0	2.0	2.0	0.5	
A – Salaries & Wages	137,450	137,450	274,900	34,363	

B – Employee Benefits	60,504	60,504	121,008	15,126	
C – Prof. Service Contracts					
E – Goods and Services					
G – Travel					
J – Capital Outlays					
N – Grants					
Total:	197,954	197,954	395,908	49,489	

III.B – Detail:

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
Senior Financial Analyst		1.0	1.0	1.0	0.3	
Court Program Specialist		1.0	1.0	1.0	0.3	
Total FTE's		2.0	2.0	2.0	0.5	

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

Individual State Agency Fiscal Note

Bill Number: 5160 2S SB	Title: Landlord-tenant relations	Agency: 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
Account					
General Fund-State 001-1	10,772,277	11,477,731	22,250,008	23,998,788	25,460,315
Total \$	10,772,277	11,477,731	22,250,008	23,998,788	25,460,315

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: Trevor Press	Phone: 360-786-7446	Date: 02/23/2021
Agency Preparation: Jim Bamberger	Phone: (360) 704-4135	Date: 02/25/2021
Agency Approval: Jim Bamberger	Phone: (360) 704-4135	Date: 02/25/2021
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 02/26/2021

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.

2SSB 5160 makes a number of changes to the unlawful detainer and eviction process in Washington State. Sections 8 and 9 of the bill establish a right to counsel for indigent tenants in unlawful detainer cases 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. 7 establishes an eviction resolution pilot program modeled on and authorized in accordance with emergency Supreme Court order no 25700-B-639 and relevant standing orders of individual superior courts. Sec. 7(4) requires landlords to serve mandatory notices relating to the availability of the eviction resolution program to the local housing justice project or other designee of the office of civil legal aid.

Sec. 8(1) establishes a right to counsel for indigent tenants facing a judicial eviction proceeding. Subject to the availability of amounts appropriated for this program, Sec. 8(1) directs the court to appoint an attorney for indigent tenants at any show cause hearing or scheduled trial. It assigns responsibility to the office of civil legal aid to pay the costs of legal services provided by attorneys appointed under authority of the section. It prioritizes implementation in those counties in which the most evictions occur, as determined by the office of civil legal aid.

Section 8(2) defines the term “indigent” for the purpose of appointing counsel for indigent tenants. The provision is consistent with the standard used to determine income eligibility for civil legal aid for indigent persons under RCW 2.52.030 and Supreme Court GR 34.

Sec. 9(1) assigns responsibility for establishing a statewide tenant representation contract attorney program to OCLA. Under section 9(2), directs OCLA to submit to the appropriate legislative committees a plan to fully implement the tenant representation program within 12 months of the effective date of the section.

Sec. 19 is an emergency clause making the act effective immediately upon approval by the Governor.

Assumptions used for this fiscal note:

1. On the basis of the 2/3/21 to 2/15/21 Census Pulse survey, 64% of all renter households (regardless of household size) in WA have total household income of \$75,000 or less. Of these households, 104,445 were behind in rental payments during the reporting period. These households represent 77% of all renter households behind in rent. This data, coupled with field service experience from programs representing tenant defendants, indicates that at least 75% of tenant defendants in filed Residential Landlord Tenant Act unlawful detainer actions will meet the indigency standard in Sec. 8(2).

2. Due to a combination of indigency standards, the percentage of unfiled case commencements (pocket-filed cases), and percentage of defaults (cases where the tenant does not appear/respond to an Order to Show Cause), OCLA predicts that courts will be required to appoint attorneys in about 60% of all filed unlawful detainer actions.

3. Existing attorney staff (15 FTE statewide) dedicated to eviction defense services (and funded with other sources) will continue at pre-COVID baseline levels.

4. Attorneys fully dedicated to eviction defense practice will handle on average 150 cases per year and maintain an average open caseload of 15 active unlawful detainer cases at any particular time.
5. Contract attorneys will be compensated at \$150/hr. and will average 4 hours per case.
6. The scope of representation by appointed attorneys will include shelter defense and related matters, including but not limited to requests for orders of limited dissemination.
7. The average fully loaded cost of dedicated FTE attorneys employed by non-profit legal aid providers is \$160,000/yr.
8. OCLA will require 3 FTE staff to administer the program – a Program Manager (attorney), a staff attorney, and a contracts manager.
9. Local courts will adopt standing orders that require landlords in each judicial district to serve tenants with a Notice of Right to an Attorney along with the Summons and Complaint and, if one has been issued, an Order to Show Cause. The Notice of Right to Attorney will include contact information for the agency designated by OCLA to provide representation or assign cases to contracted private attorneys or agencies. This will substantially reduce the number of cases in which courts will be asked to continue the matter pending appointment of attorneys.
10. OCLA will establish and underwrite a central coordinating/attorney assignment entity to receive requests for assignment of attorneys from tenants and orders of appointment and assignment of attorneys in Snohomish, Pierce, and King Counties.
11. 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.
12. There will be a large first wave of post-moratorium evictions requiring short-term extraordinary contract attorney involvement; Depending on timing, attorney capacity, and implementation schedules, OCLA anticipates between 5,000 - to 7,500 tenants will receive appointed attorneys. $5,000 \text{ cases} @ 4\text{hr./case} * 150 = \$3,000,000$ to $7500 @ 4 \text{ hr./cases} * \$150 = \$4,500,000$ in one-time expenses. For this fiscal note, OCLA assumes \$3,750,000 in one-time expenses.
13. After the first wave of post-moratorium evictions, the baseline level of filed evictions will revert to 2016 levels as documented in AOC/JIS system data.
14. The program is fully funded effective 7/1/2021

With these assumptions and using 2016 court filing data provided by the Administrative Office of the Courts, OCLA projects FY 2022 expense at \$10.772M, including a one-time expense of \$3,750,000 to address the first wave of post-moratorium evictions. Once fully implemented, program expenses annualize in FY 2023 at \$11.477M. Costs of operations are projected to increase at 3%/year thereafter. 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.

Should Congress pass the American Rescue Plan (H.R. 1319) be enacted as currently written before the effective date of this act, the entirety of program expenses during FY 2022-23 would be eligible for federal funding made available to Washington State in accordance with Sec. 5001 of that legislation.

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	10,772,277	11,477,731	22,250,008	23,998,788	25,460,315
Total \$			10,772,277	11,477,731	22,250,008	23,998,788	25,460,315

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	240,000	247,200	487,200	516,870	548,347
B-Employee Benefits	77,000	79,100	156,100	165,399	175,471
C-Professional Service Contracts	10,355,277	11,048,427	21,403,704	23,101,157	24,508,017
E-Goods and Other Services	87,500	90,504	178,004	190,362	203,480
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-					
Total \$	10,772,277	11,477,731	22,250,008	23,998,788	25,460,315

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	90,000	1.0	1.0	1.0	1.0	1.0
Eviction Defense Program Manager	95,000	1.0	1.0	1.0	1.0	1.0
Total FTEs		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

Bill Number: 5160 2S SB	Title: Landlord-tenant relations	Agency: 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: Trevor Press	Phone: 360-786-7446	Date: 02/23/2021
Agency Preparation: Stacia Hollar	Phone: (360) 664-0865	Date: 02/23/2021
Agency Approval: Dianna Wilks	Phone: 360-709-6463	Date: 02/23/2021
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 02/23/2021

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 has reviewed this bill and determined it will not significantly increase the division's workload in representing the Department of Commerce (COM). The landlord access to rental assistance programs in Section 13 is not expected to require additional Assistant Attorney General 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. 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. Amendments in this version of the bill do not add additional enforcement duties or otherwise increase workload. 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 are 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

Bill Number: 5160 2S SB	Title: Landlord-tenant relations	Agency: 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	3.5	1.5	2.5	0.0	0.0
Account					
General Fund-State 001-1	478,705	190,883	669,588	0	0
Total \$	478,705	190,883	669,588	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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: Trevor Press	Phone: 360-786-7446	Date: 02/23/2021
Agency Preparation: Tedd Kelleher	Phone: 360-725-2930	Date: 03/01/2021
Agency Approval: Joyce Miller	Phone: 360-725-2710	Date: 03/01/2021
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 03/01/2021

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.

Difference between the second substitute and the substitute bill:

Section 5 (1) (d) makes landlords eligible for reimbursement for tenants who have defaulted on a repayment plan for unpaid rent accrued between March 1, 2020 and the end of the public health emergency.

Section 6 (1) updates reimbursement guidelines to include any unpaid rent as described in RCW 43.31.605(1)(d).

Summary of second substitute bill:

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

Sections 3 adds a new section to RCW 59.18 increasing tenant protections during the COVID-19 virus public health emergency.

Section 5 amends RCW 43.31.605 to allow landlords to be eligible for reimbursement of unpaid rent accrued between March 1, 2020 and the end of the public health emergency from the landlord mitigation program account for both tenants who have ended a tenancy and for those who have defaulted on a repayment plan.

Section 6 amends RCW 43.31.615 to allow landlords to receive up to \$5,000 from Department of Commerce (department) as described in RCW 43.31.605(1)(c & d).

Sections 8 through 11 provide tenants a right to counsel in eviction cases.

Section 12 adds a new section to RCW 43.185C requiring the department to provide landlords access to certain 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 13 and Section 14 increase tenant protections.

Section 19 this act takes effect immediately.

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 6 allows landlords to receive up to \$5,000 from the department for unpaid rent accrued before the end of the public health emergency for tenants who end their tenancy, and for unpaid rent connected to a tenant who

defaulted on a repayment plan for rents during the public health emergency. There is an estimated increase in the number of claims submitted over the previous version of the bill due to the change in allowed claims.

0.35 FTE Commerce Specialist 3 (731 hours) in FY21, 2.1 FTE Commerce Specialist 3 (4,385 hours) in FY22, and 0.25 FTE Commerce Specialist 3 (522 hours) in FY23 to provide and build capacity around solicitation, origination, management, monitor project contracts, process claims, and to compile and publish an accounting of program activities and outcomes.

Salaries and Benefits:

FY21: \$36,615
FY22: \$219,690
FY23: \$26,153

Goods and Other Services:

FY21: \$4,383
FY22: \$26,298
FY23: \$3,132

Equipment and Capital Outlays:

FY21: \$1,316
FY22: \$1,316
Equipment includes two laptops.

Grants, Benefits, Clients Services:

The impact of claims is indeterminate. The indeterminate variables driving the number of potential claims makes it difficult to accurately estimate the number of claims. The funding amount is not specified, and without a specific appropriation the department is unable to estimate the fiscal impact of the number of claims or the monetary value of each claim.

For Illustrative Purposes Only:

If the department assumes 500 claims per month May – June 2021 for a total of 1,000 claims (\$5,000,000) in FY21. Assuming claims will decline to 50 claims per month by December 2021 for a total of 1,850 claims (\$9,250,000) in FY22 and claims remain at 50 claims per month for a total of 600 claims (3,000,000) in FY23. Claims after June 2023 would be negligible and have minimal fiscal impact.

FY21: \$5,000,000
FY22: \$9,250,000
FY23: \$3,000,000

Intra-agency Reimbursements:

FY21: \$12,449
FY22: \$74,695
FY23: \$8,892

Section 12

Requires the department to provide landlords access to certain rental assistance programs administered by the department. Modifying existing programs that provide rent assistance to tenants with leases and provides a process for landlords to access each of those programs to initiate the request for assistance.

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 programs that offer rent assistance to preserve tenancies as an allowable cost. The position would ensure new eviction prevention rent assistance programs started after March 2021, 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 more than 200 sub grantees (primarily local nonprofit 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 are the Consolidated Homeless Grant, the federal Emergency Solutions Grant, and federal COVID-19 relief funds.

Salaries and Benefits:

FY22-FY23: \$104,614 per fiscal year

Goods and Other Services:

FY22-FY23: \$12,523 per fiscal year

Equipment and Capital Outlays:

FY22: \$4,000

Equipment includes one standard workstation

Intra-agency Reimbursements:

FY22-FY23: \$35,569 per fiscal year

Note: Standard goods and services casts 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.

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Total Costs:

FY21: \$54,763

FY22: \$478,705

FY23: \$190,883

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	478,705	190,883	669,588	0	0
Total \$			478,705	190,883	669,588	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	3.5	1.5	2.5		
A-Salaries and Wages	236,890	95,520	332,410		
B-Employee Benefits	87,414	35,247	122,661		
C-Professional Service Contracts					
E-Goods and Other Services	38,821	15,655	54,476		
G-Travel					
J-Capital Outlays	5,316		5,316		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	110,264	44,461	154,725		
9-					
Total \$	478,705	190,883	669,588	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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
Agency Administration - Indirect	69,552	0.4	0.2	0.3		
Commerce Specialist 3	76,416	3.1	1.3	2.2		
Total FTEs		3.5	1.5	2.5		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