

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5160 E 2S SB	<b>Title:</b> Addressing landlord-tenant relations by providing certain tenant protections during the public health emergency, providing for legal representation in eviction cases, establishing an eviction resolution pilot program for nonpayment of rent cases, and auth
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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	23,318,008	23,318,008	23,318,008	3.0	25,290,964	25,290,964	25,290,964	3.0	26,831,184	26,831,184	26,831,184
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.											
<b>Total \$</b>	<b>7.5</b>	<b>24,383,504</b>	<b>24,383,504</b>	<b>24,383,504</b>	<b>3.3</b>	<b>25,340,453</b>	<b>25,340,453</b>	<b>25,340,453</b>	<b>3.0</b>	<b>26,831,184</b>	<b>26,831,184</b>	<b>26,831,184</b>

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

## 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
<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	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

<b>Prepared by:</b> Gaius Horton, OFM	<b>Phone:</b> (360) 819-3112	<b>Date Published:</b> Final 3/17/2021
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# Judicial Impact Fiscal Note

<b>Bill Number:</b> 5160 E 2S SB	<b>Title:</b> Addressing landlord-tenant relations by providing certain tenant protections during the public health emergency, providing for legal representation in eviction cases, establishing an eviction resolution pilot program for nonpayment of rent cases, and auth	<b>Agency:</b> 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	
<b>Account</b>					
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					
<b>Account</b>					
Local - Counties					
Counties Subtotal \$					
CITY	FY 2022	FY 2023	2021-23	2023-25	2025-27
City FTE Staff Years					
<b>Account</b>					
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	Lena Brodsky	Phone: 360-786-7192	Date: 03/11/2021
Agency Preparation:	Sam Knutson	Phone: 360-704-5528	Date: 03/17/2021
Agency Approval:	Ramsey Radwan	Phone: 360-357-2406	Date: 03/17/2021
OFM Review:	Gaius Horton	Phone: (360) 819-3112	Date: 03/17/2021

168,427.00

Request # 5160 E2SSB-1

Form FN (Rev 1/00)

Bill # 5160 E 2S SB

## 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					
<b>Total \$</b>	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

Job Classification	Salary	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	
<b>Total FTEs</b>		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

168,427.00

Form FN (Rev 1/00)

3

Request # 5160 E2SSB-1

Bill # 5160 E 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:

- Require landlords to offer tenants a repayment plan for unpaid rent accrued during the public health emergency, with monthly payments no more than one-third of the tenant's monthly rent;
- Provide that landlords may file reimbursement claims under the Landlord Mitigation Program for unpaid rent that accrued between March 1, 2020 and the end of the public health emergency, when a tenant has vacated or abandoned the tenancy or when the tenant defaults on a repayment plan;
- Require the Administrative Office of the Courts to contract with dispute resolution centers to establish a two-year, statewide eviction resolution pilot program to facilitate the resolution of nonpayment of rent cases;
- Provide a right to counsel for indigent tenants in unlawful detainer show cause hearings and trials; and
- Authorize landlords access to certain rental assistance programs through the Department of Commerce.

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

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) – Would require a superior court, in collaboration with the dispute resolution center that is located within or serving the same county, participating in the eviction resolution pilot program to report annually to the Administrative Office of the Courts beginning January 1, 2022 until January 1, 2023, on the following:

- (a) Number of unlawful detainer actions for nonpayment of rent subject to program requirements;
- (b) Number of referrals made to dispute resolution centers;
- (c) Number of nonpayment of rent cases resolved by the program;
- (d) How many instances the tenant had legal representation either at the conciliation stage or formal mediation stage;
- (e) Number of certifications issued by dispute resolution centers and filed by landlords with the court; and
- (f) Any other information that relates to the efficacy of the pilot program.

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**

<b>Cost Category</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>Biennium Total</b>	<b>FY 2024</b>
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
<b>Total</b>	<b>91,616</b>	<b>91,616</b>	<b>183,232</b>	<b>22,904</b>
<b>Court Program Specialist (range 55)</b>				
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
<b>Total</b>	<b>106,338</b>	<b>106,338</b>	<b>212,676</b>	<b>26,585</b>
<b>Cost Summary</b>				
<b>Cost Category</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>Biennium Total</b>	<b>FY 2024</b>
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
<b>Total</b>	<b>197,954</b>	<b>197,954</b>	<b>395,908</b>	<b>49,489</b>

### Part III: Expenditure Detail

#### III.A – Expenditures by Object or Purpose

	<b>FY 2022</b>	<b>FY 2023</b>	<b>2021-23</b>	<b>2023-25</b>	<b>2025-27</b>
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					
<b>Total:</b>	<b>197,954</b>	<b>197,954</b>	<b>395,908</b>	<b>49,489</b>	

**III.B – Detail:**

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

**Part IV: Capital Budget Impact**

None.

**Part V: New Rule Making Required**

None.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5160 E 2S SB	<b>Title:</b> Addressing landlord-tenant relations by providing certain tenant protections during the public health emergency, providing for legal representation in eviction cases, establishing an eviction resolution pilot program for nonpayment of rent cases, and auth	<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	11,222,277	12,095,731	23,318,008	25,290,964	26,831,184
<b>Total \$</b>	11,222,277	12,095,731	23,318,008	25,290,964	26,831,184

### 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: Lena Brodsky	Phone: 360-786-7192	Date: 03/11/2021
Agency Preparation: Jim Bamberger	Phone: (360) 704-4135	Date: 03/11/2021
Agency Approval: Jim Bamberger	Phone: (360) 704-4135	Date: 03/11/2021
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 03/12/2021

## 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.*

E2SSB 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. The right to counsel and eviction resolution program provisions remain unchanged from 2SSB 5160. This FN makes a modest adjustment that reflects additional thinking about how to assign/appoint attorneys in a manner that minimizes disruption of court operations as a result of consistent and regular requests for continuances from tenants for whom counsel is appointed at the show cause hearing.

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. OCLA projects no costs directly attributable to this provision.

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 within 90 days 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 staff in six regional eligibility assessment/assignment entities (9 FTE staff) that will receive requests for assignment of attorneys from tenants and orders of appointment and assignment of attorneys. Regional eligibility assessment/assignment entities will serve: Spokane/NE WA, Central WA, SE WA, SW WA, Puget Sound region, NW WA.
11. OCLA will contract with a qualified third-party contractor to establish and operate a statewide eviction defense training and support center.
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  $7500 \text{ @ } 4 \text{ hr./cases} * \$150 = \$4,500,000$  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 \$11.222M, 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 \$11.666M. 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	11,222,277	12,095,731	23,318,008	25,290,964	26,831,184
<b>Total \$</b>			11,222,277	12,095,731	23,318,008	25,290,964	26,831,184

**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	10,805,277	11,666,427	22,471,704	24,393,333	25,878,886
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-					
<b>Total \$</b>	11,222,277	12,095,731	23,318,008	25,290,964	26,831,184

**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
<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 E 2S SB	<b>Title:</b> Addressing landlord-tenant relations by providing certain tenant protections during the public health emergency, providing for legal representation in eviction cases, establishing an eviction resolution pilot program for nonpayment of rent cases, and auth	<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: Lena Brodsky	Phone: 360-786-7192	Date: 03/11/2021
Agency Preparation: Stacia Hollar	Phone: (360) 664-0865	Date: 03/12/2021
Agency Approval: Dianna Wilks	Phone: 360-709-6463	Date: 03/12/2021
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 03/16/2021

## 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. 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

<b>Bill Number:</b> 5160 E 2S SB	<b>Title:</b> Addressing landlord-tenant relations by providing certain tenant protections during the public health emergency, providing for legal representation in eviction cases, establishing an eviction resolution pilot program for nonpayment of rent cases, and auth	<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	3.5	1.5	2.5	0.0	0.0
<b>Account</b>					
General Fund-State      001-1	478,705	190,883	669,588	0	0
<b>Total \$</b>	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: Lena Brodsky	Phone: 360-786-7192	Date: 03/11/2021
Agency Preparation: Leah Snow	Phone: 360-725-2724	Date: 03/12/2021
Agency Approval: Joyce Miller	Phone: 360-725-2710	Date: 03/12/2021
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 03/15/2021

## 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 engrossed second substitute bill and the second substitute bill:

The changes made in the engrossed second substitute do not change the fiscal impact to the Department of Commerce (department).

Summary of the engrossed 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 be reimbursed for eligible claims under the landlord mitigation program.

Sections 8 through Section 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.

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.

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
<b>Total \$</b>			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-					
<b>Total \$</b>	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		
<b>Total FTEs</b>		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**