

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1155 S HB PL	<b>Title:</b> Emergency comm. sales tax
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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 Revenue	.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 Revenue	.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> Ramona Nabors, OFM	<b>Phone:</b> (360) 902-0547	<b>Date Published:</b> Final 4/23/2021
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# Department of Revenue Fiscal Note

<b>Bill Number:</b> 1155 S HB PL	<b>Title:</b> Emergency comm. sales tax	<b>Agency:</b> 140-Department of Revenue
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**Part I: Estimates**

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

NONE

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

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/15/2021
Agency Preparation: Beth Leech	Phone: 360-534-1513	Date: 04/16/2021
Agency Approval: Don Gutmann	Phone: 360-534-1510	Date: 04/16/2021
OFM Review: Ramona Nabors	Phone: (360) 902-0547	Date: 04/18/2021

Request # 1155-4-1

## 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.*

Note: This fiscal note reflects language in SHB 1155 as passed in the 2021 Legislative Session.

#### CURRENT LAW:

Counties may levy a sales and use tax to fund costs associated with emergency communication systems and facilities. This local sales tax may only be implemented by a vote of the people.

In a county with a population of more than 500,000 but less than 1,500,000, or in a county with a population greater than 1,500,000 in which any city with a population over 50,000 operates an emergency communication system and facilities, the county shall enter into an inter-local agreement with the city to determine the distribution of revenues.

#### PROPOSED LAW:

In a county with a population of more than 500,000 but less than 1,500,000 or in a county with a population greater than 1,500,000, the county shall enter into an inter-local agreement with the city to determine the distribution of revenues as follows :

- Within 12 months of meeting the population threshold of 50,000 or within 12 months of the effective date of this section, whichever is later, or
- Prior to submitting the tax to voters.

These time frames may be extended an additional three months with the agreement of the county and the city

If the city and county fail to enter into an interlocal agreement within the allotted time frame, then the city or county may seek equitable apportionment of the tax in the county's superior court and that apportionment must be retroactive to when the city and county met the relevant population thresholds or the effective date of the bill, whichever is later.

The bill takes effect 90 days after final adjournment of the session in which it is enacted.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

This legislation results in no revenue impact to taxes administered by the Department of Revenue.

### 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*

The Department of Revenue will have minimal costs to implement this legislation and will absorb within current funding.

## Part III: Expenditure Detail

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

NONE

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

NONE

**III. C - Expenditures By Program (optional)**

NONE

## **Part IV: Capital Budget Impact**

**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

None.

## **Part V: New Rule Making Required**

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

<b>Bill Number:</b> 1155 S HB PL	<b>Title:</b> Emergency comm. sales tax
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## Part I: Jurisdiction

Location, type or status of political subdivision defines range of fiscal impacts.

### Legislation Impacts:

- Cities:
- Counties:
- Special Districts:
- Specific jurisdictions only: Cities that meet population criteria: City of Spokane and City of Spokane Valley, and Spokane County
- Variance occurs due to:

## Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option: provides an avenue for certain cities to pursue an agreement with their county
- Key variables cannot be estimated with certainty at this time: what cities will pursue this local option

### 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: Angie Hong	Phone: 360-725-5041	Date: 04/23/2021
Leg. Committee Contact:	Phone:	Date: 04/15/2021
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 04/23/2021
OFM Review: Ramona Nabors	Phone: (360) 902-0547	Date: 04/23/2021

## **Part IV: Analysis**

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

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

#### CHANGES FROM PREVIOUS BILL VERSION

This amendment adds detail regarding the make-up of representation in the interlocal agreement process for cities .

#### SUMMARY OF CURRENT BILL

This bill provides an avenue for certain cities (that meet the criteria below) to proceed with a required interlocal agreement with their county in regards to the distribution of emergency communications sales tax revenues .

The timeline for local governments to enter into an inter-local agreement:

- Within 12 months of meeting the population threshold of 50 ,000 or within 12 months of the effective date of this section , whichever is later, or

- Prior to submitting the tax to voters .

- This time frame may be extended an additional three months with the agreement of the county and the city

This bill will take effect 90 days after final adjournment of the session in which it is enacted .

#### CRITERIA:

A city within a noncharter county, which has a county population of more than 500,000 but less than 1,500,000, and has a city population of more than 50,000. This currently applies to two cities in Washington State: City of Spokane and City of Spokane Valley .

### **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.*

#### CHANGES FROM PRIOR BILL VERSION

Changes in this version do not alter the previous analysis of impacts .

#### SUMMARY OR CURRENT BILL

This bill will 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.*

#### CHANGES FROM PRIOR BILL VERSION

Changes in this version do not alter the previous analysis of impacts .

#### SUMMARY OR CURRENT BILL

This bill will result in an indeterminate revenue increase to cities that meet the bill's criteria and a corresponding revenue decrease to Spokane County revenue. It is unknown which cities will pursue this local option . This bill provides an avenue with a required timeline for certain cities to enter into interlocal agreements with Spokane County in regard to apportionment of emergency communications sales tax revenue currently managed by a county public development authority: Spokane Regional Emergency Communications .

For illustrative purposes, if one city successfully pursues an interlocal agreement and a 50 % distribution of sales tax revenue results, the city could see a \$5.5 million increase in revenue; the county could see a \$5 .5 million decrease in revenue.

#### BACKGROUND

According to the Washington State Auditors Office's Financial Intelligence Tool:

- Spokane County received \$10.3 million in 2017 and \$11.2 million in 2018 in emergency communications sales and use tax revenue .

- Spokane Regional Emergency Communications Public Development Authority received \$95 ,452 in 2018 and \$6.6 million in 2019 in revenue.

#### SOURCES

Washington State Auditor's Office Financial Intelligence Tool

Association of Washington Cities