

Multiple Agency Fiscal Note Summary

Bill Number: 5361 SB	Title: Law enf. officers/increase
-----------------------------	--

Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Revenue	(430,800,000)	(430,800,000)	(430,800,000)	(525,800,000)	(525,800,000)	(525,800,000)	(575,400,000)	(575,400,000)	(575,400,000)
Total \$	(430,800,000)	(430,800,000)	(430,800,000)	(525,800,000)	(525,800,000)	(525,800,000)	(575,400,000)	(575,400,000)	(575,400,000)

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Fiscal note not available					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Revenue	1.6	437,900	437,900	437,900	.8	172,300	172,300	172,300	.1	18,800	18,800	18,800
Criminal Justice Training Commission	Fiscal note not available											
Total \$	1.6	437,900	437,900	437,900	0.8	172,300	172,300	172,300	0.1	18,800	18,800	18,800

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Criminal Justice Training Commission	Fiscal note not available								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Cheri Keller, OFM	Phone: (360) 584-2207	Date Published: Preliminary
---------------------------------------	---------------------------------	---------------------------------------

Department of Revenue Fiscal Note

Bill Number: 5361 SB	Title: Law enf. officers/increase	Agency: 140-Department of Revenue
-----------------------------	--	--

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
GF-STATE-State 01 - Taxes 01 - Retail Sales Tax	(180,800,000)	(250,000,000)	(430,800,000)	(525,800,000)	(575,400,000)
Total \$	(180,800,000)	(250,000,000)	(430,800,000)	(525,800,000)	(575,400,000)

Estimated Expenditures from:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.7	1.5	1.6	0.8	0.1
GF-STATE-State 001-1	275,000	162,900	437,900	172,300	18,800
Total \$	275,000	162,900	437,900	172,300	18,800

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: Tim Ford	Phone: 86-7423	Date: 01/19/2023
Agency Preparation: Diana Tibbetts	Phone: 60-534-1520	Date: 01/21/2023
Agency Approval: Marianne McIntosh	Phone: 60-534-1505	Date: 01/21/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/23/2023

Request # 5361-1-1

Part II: Narrative Explanation

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

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

CURRENT LAW:

Local governments can levy several local taxes designated for certain uses. The Department of Revenue (department) collects most local sales and use taxes and distributes them monthly to local jurisdictions.

PROPOSAL:

This legislation allows local governments to levy a new state-shared 0.10% local sales and use tax used solely for employing additional commissioned law enforcement officers.

If the local commissioned rate per 1,000 population is greater than the national commissioned rate per 1,000 population, the city or county may use tax revenues received in the current calendar year for criminal justice purposes. The local and national commissioned rate per 1,000 population is determined using law enforcement employment data and jurisdictional population data provided to the Federal Uniform Crime Program, as of October of the prior calendar year.

The bill also reenacts and amends the law enforcement statute (RCW 43.101.200) to add that beginning in fiscal year 2024, the commission must provide up to 25 basic law enforcement training classes each fiscal year. The commission may adjust class size to manage demand but may not institute a wait list until after offering 25 classes. The Legislature must appropriate sufficient funding to the commission for this purpose.

EFFECTIVE DATE:

The bill takes effect 90 days after final adjournment of the session.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

ASSUMPTIONS:

- The state-shared tax credits the 0.10% local tax against the 6.5% state sales and use tax.
- All local jurisdictions will levy this new state-shared tax.
- Growth mirrors the Economic and Revenue Forecast Council's (ERFC) statewide taxable retail sales and the historical average is 5%.
- The performance audits of government account receives a 0.16% share of retail sales and use tax collections. The new state-shared local tax amounts exclude the amount the performance audits of government account receives.
- Currently, tribes with compacts receive a share of state sales and use tax and certain business and occupation taxes (RCW 43.06.523). Under this proposal the amount of revenue shared with tribes does not change.
- This legislation passes effective July 21, 2023, and the department implements the state-shared tax beginning September 1, 2023. This leads to nine months of impacted cash collections in fiscal year 2024.

DATA SOURCES:

- Department of Revenue excise tax data
- Economic and Revenue Forecast Council, November 2022 Forecast

REVENUE ESTIMATES:

This bill decreases state revenues by an estimated \$180.8 million in the nine months of impacted collections in fiscal year 2024, and by \$250 million in fiscal year 2025, the first full year of impacted collections.

This bill also increases local revenues by an estimated \$180.8 million in the nine months of impacted collections in fiscal year 2024, and by \$250 million in fiscal year 2025, the first full year of impacted collections.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2024 -	(\$ 180,800)
FY 2025 -	(\$ 250,000)
FY 2026 -	(\$ 258,500)
FY 2027 -	(\$ 267,300)
FY 2028 -	(\$ 280,700)
FY 2029 -	(\$ 294,700)

Local Government, if applicable (cash basis, \$000):

FY 2024 -	\$ 180,800
FY 2025 -	\$ 250,000
FY 2026 -	\$ 258,500
FY 2027 -	\$ 267,300
FY 2028 -	\$ 280,700
FY 2029 -	\$ 294,700

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

ASSUMPTIONS:

This legislation will affect all jurisdictions.

FIRST YEAR COSTS:

The department will incur total costs of \$275,000 in fiscal year 2024. These costs include:

- Labor Costs – Time and effort equate to 1.7 FTEs.
- Set up and program computer system changes.
 - Computer system testing, verifying, monitoring and maintenance.

Object Costs - \$70,400.

- Contract computer system programming.

SECOND YEAR COSTS:

The department will incur total costs of \$162,900 in fiscal year 2025. These costs include:

Labor Costs – Time and effort equate to 1.5 FTEs.

- Continued computer system testing, monitoring, and maintenance.
 - Process returns, payments, and all associated work items, including issuing assessments for return errors and underpayments.
- Assist taxpayers with reporting questions and respond to inquiries via email, web message, and paper correspondence.
- Examine accounts and make corrections as necessary.

ONGOING COSTS:

Ongoing costs for the 2025-27 biennium equal \$172,300 and include similar activities described in the second-year costs. Time

and effort equate to 1.4 FTEs in fiscal year 2026 and 0.2 FTEs in fiscal year 2027.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.7	1.5	1.6	0.8	0.1
A-Salaries and Wages	125,300	106,700	232,000	112,800	12,400
B-Employee Benefits	41,300	35,200	76,500	37,200	4,000
C-Professional Service Contracts	70,400		70,400		
E-Goods and Other Services	26,100	16,300	42,400	17,400	1,800
J-Capital Outlays	11,900	4,700	16,600	4,900	600
Total \$	\$275,000	\$162,900	\$437,900	\$172,300	\$18,800

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
EXCISE TAX EX 3	61,632	0.1	0.1	0.1	0.1	0.1
EXCISE TAX EX 4	68,076	0.4	0.4	0.4	0.2	
IT SYS ADM-JOURNEY	92,844	0.2		0.1		
MGMT ANALYST4	73,260	1.0	1.0	1.0	0.5	
Total FTEs		1.7	1.5	1.6	0.8	0.1

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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

Part V: New Rule Making Required