

Multiple Agency Fiscal Note Summary

Bill Number: 8206 SJR	Title: Property tax rebates
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Estimated Cash Receipts

NONE

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	No fiscal impact					
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
Office of the Secretary of State	.0	132,798	132,798	132,798	.0	0	0	0	.0	0	0	0
Department of Revenue	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.0	132,798	132,798	132,798	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	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Secretary of State	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
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	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Gwen Stamey, OFM	Phone: (360) 790-1166	Date Published: Final
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Individual State Agency Fiscal Note

Bill Number: 8206 SJR	Title: Property tax rebates	Agency: 085-Office of the Secretary of State
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
Account					
General Fund-State 001-1	132,798	0	132,798	0	0
Total \$	132,798	0	132,798	0	0

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: Alia Kennedy	Phone: 360-786-7405	Date: 01/20/2023
Agency Preparation: Mike Woods	Phone: (360) 704-5215	Date: 01/23/2023
Agency Approval: Mike Woods	Phone: (360) 704-5215	Date: 01/23/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 01/23/2023

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.

This bill requires the Secretary of State to add a constitutional amendment to the 2023 General Election.

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.

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.

Voters' pamphlet

This bill requires OSOS to print the constitutional amendment in the voters' pamphlet. Printing the constitutional amendment, estimated to be 8 pages, has a projected cost of approximately \$59,453 which is comprised of \$49,476 for printing, \$5,040 for composition, and \$4,937 for language translation. Postage costs are not included for odd-year pamphlets because those costs are fixed for voters' pamphlets below 88 pages (less than 4oz, per the USPS). The additional 8 pages are not expected to push an odd-year voters' pamphlet over 88 pages.

Odd-Year election costs

Adding an additional issue for the state results in increased odd-year election costs of \$64,428. This amount was calculated by adding an additional issue the state proration for each of the 39 counties 2019 odd-year election costs; the resulting change between the base and the base + 1 is the cost seen here. All other factors were held constant.

Legal advertisements

The Office of the Secretary of State operating budget includes funding for the publication of notices in every legal newspaper in the state four times prior to the general election. This fiscal note does not assume additional cost to publish this measure because the notices would be customized such that they remain within the authorized budget for legal advertising.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	132,798	0	132,798	0	0
Total \$			132,798	0	132,798	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services	59,453		59,453		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	64,428		64,428		
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	8,917		8,917		
9-					
Total \$	132,798	0	132,798	0	0

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

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

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Department of Revenue Fiscal Note

Bill Number: 8206 SJR	Title: Property tax rebates	Agency: 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: Alia Kennedy	Phone: 60-786-7405	Date: 01/20/2023
Agency Preparation: Mark Studer	Phone: 60-534-1507	Date: 01/23/2023
Agency Approval: Valerie Torres	Phone: 60-534-1521	Date: 01/23/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/23/2023

Request # 8206-1-1

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.

Senate Joint Resolution 8206 amends Article VII of the Washington constitution to:

- Allow the Legislature, through appropriate legislation, to provide a primary residence property tax exemption (PRPTE) from property taxes levied for state purposes on property occupied as a principal residence of an individual for up to \$250,000 in equalized assessed value. The PRPTE may be in the form of a reduction of assessed value or a refund.
- Allow the Legislature to also, by appropriate legislation, provide a similar benefit as the PRPTE through a renter's credit to qualified residential tenants.
- Preclude the Legislature from exercising this new authority unless it enacts both a PRPTE and renter's credit.
- Require the state levy be reduced as necessary to prevent the PRPTE from resulting in a higher rate than would have occurred in the absence of the exemption.
- Allow the Legislature to provide an annual increase to the maximum amount of the PRPTE and the renter's credit.
- Allow the Legislature to place other restrictions and conditions on the PRPTE and the renter's credit.

Senate Joint Resolution 8206 also amends Article VII, section 1 of the Washington constitution by:

- Removing the uniformity clause requiring all taxes to be uniform upon the same class of property within the territorial limits of the authority levying the tax.
- Removing the language that all real estate shall constitute one class.

This proposed constitutional amendment is contingent on Washington voters' approval at the November 2023 general election.

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.

This resolution grants the Legislature the authority to:

- Provide a PRPTE in the form of a reduction in assessed value or refund for property taxes levied for state purposes.
- Provide a similar renter's credit in the form of a refund.

This resolution also removes:

- The uniformity clause.
- The language that all real estate shall constitute one class.

By itself, this resolution results in no revenue impact to the state property tax levy.

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.

The Department of Revenue will not incur any costs with passage of this resolution.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

III. B - Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

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

NONE

Part V: New Rule Making Required

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 8206 SJR

Title: Property tax rebates

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

Legislation Impacts:

- Cities:
 Counties:
 Special Districts:
 Specific jurisdictions only:
 Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
 Expenditures represent one-time costs:
 Legislation provides local option:
 Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Tammi Alexander	Phone: 360-725-5038	Date: 01/23/2023
Leg. Committee Contact: Alia Kennedy	Phone: 360-786-7405	Date: 01/20/2023
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/23/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 01/23/2023

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

Senate Joint Resolution 8206 would propose an amendment to Article VII of the state constitution to:

- Authorize the Legislature, through appropriate legislation, to provide a primary residence property tax exemption (PRPTE) from property taxes levied for state purposes on property occupied as a principal residence of an individual for up to \$250,000 in equalized assessed value
- Prohibit the Legislature from exercising this new authority unless it enacts both a PRPTE and renter's credit
- Authorize the Legislature to also, by appropriate legislation, provide a similar benefit as the PRPTE through a renter's credit to qualified residential tenants
- Authorize the Legislature to provide an annual increase to the maximum amount of the PRPTE and the renter's credit
- Authorize the Legislature to place other restrictions and conditions on the PRPTE and the renter's credit
- Require the state levy be reduced as necessary to prevent the PRPTE from resulting in a higher rate than would have occurred in the absence of the exemption
- Remove the uniformity clause requiring all taxes to be uniform upon the same class of property within the territorial limits of the authority levying the tax
- Remove the language that all real estate shall constitute one class

This joint ratification of this resolution would be required to implement this constitutional amendment through SB 5495.

Washington voters must approve this constitutional amendment in the November 2023 general election.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This bill would not impact local government expenditures because no action is required.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

This resolution grants the Legislature the authority to provide a primary residence property tax exemption (PRPTE) for property taxes levied for state purposes and a similar renter's credit in the form of a refund. By itself, this resolution results in no revenue impact to local governments.

Please see the local government fiscal note for SB 5495 for the impacts of the authority being implemented through legislation.

SOURCE:

Department of Revenue fiscal note SJR 8206 (2023)