

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5465 SB	<b>Title:</b> Tourism marketing
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## 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	(2,700,000)	(2,700,000)	0	(3,100,000)	(3,100,000)	0	(3,500,000)	(3,500,000)	0
<b>Total \$</b>	<b>(2,700,000)</b>	<b>(2,700,000)</b>	<b>0</b>	<b>(3,100,000)</b>	<b>(3,100,000)</b>	<b>0</b>	<b>(3,500,000)</b>	<b>(3,500,000)</b>	<b>0</b>

## 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 State Treasurer	Fiscal note not available											
Department of Commerce	1.1	0	0	2,700,000	1.1	0	0	3,100,000	1.1	0	0	3,500,000
Department of Revenue	.0	13,200	13,200	13,200	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>1.1</b>	<b>13,200</b>	<b>13,200</b>	<b>2,713,200</b>	<b>1.1</b>	<b>0</b>	<b>0</b>	<b>3,100,000</b>	<b>1.1</b>	<b>0</b>	<b>0</b>	<b>3,500,000</b>

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Treasurer	Fiscal note not available								
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
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

<b>Prepared by:</b> Gwen Stamey, OFM	<b>Phone:</b> (360) 790-1166	<b>Date Published:</b> Preliminary
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5465 SB	<b>Title:</b> Tourism marketing	<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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.1	1.1	1.1	1.1	1.1
<b>Account</b>					
Statewide Tourism Marketing Account-State 22T-1	1,350,000	1,350,000	2,700,000	3,100,000	3,500,000
<b>Total \$</b>	1,350,000	1,350,000	2,700,000	3,100,000	3,500,000

### 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: Kellee Gunn	Phone: 786-7429	Date: 01/20/2023
Agency Preparation: Karen McArthur	Phone: 360-725-4027	Date: 01/25/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 01/25/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 01/25/2023

## 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.*

Section 1 amends RCW 43.384.040 and 2018 c 275 s 5 and decreases the match requirements from two-to-one to one-to-one from the account.

### 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.*

The department assumes the working outlined in Section 1 will require the following:

1.0 FTE Financial Analyst 2 (2,088 hours) responsible for confirming the match, handling payments, managing the budget, and basically serving as the bookkeeper for the authority.

#### Salaries and Benefits:

FY24: \$86,145

FY25-FY29: \$89,187 per fiscal year

#### Goods and Services:

FY24: \$20,578

FY25-FY29: \$20,582 per fiscal year

#### Travel:

Travel includes stakeholder outreach.

FY24-FY29: \$2,000 per fiscal year

#### Equipment:

In addition to the standard goods and services estimates, the department assumes the purchase of standard workstations for the new staff in FY24 and the purchase of replacement laptops /tablets in FY28 based on the department's replacement cycle.

FY24: \$5,000

FY28: \$2,400

#### Grants:

Washington tourism marketing match grants are based on DOR revenue collection assumptions of \$2,700,000 FY24-FY25; \$3,100,000 FY26-FY27; and \$3,500,000 FY28-FY29.

FY24: \$1,207,935

FY25: \$1,208,888

FY26-FY27: \$1,408,888

FY28: \$1,606,488

FY29: \$1,608,888

Intra-Agency Reimbursements:

FY24: \$28,342

FY25-FY29: \$29,343 per fiscal year

Note: Standard goods and services costs include supplies and materials, employee development and training, Attorney General costs, central services charges and agency administration. Agency administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

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Total Costs:

FY24-FY25: \$1,350,000 per fiscal year

FY26-FY27: \$1,550,000 per fiscal year

FY28-FY29: \$1,750,000 per fiscal year

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
22T-1	Statewide Tourism Marketing Account	State	1,350,000	1,350,000	2,700,000	3,100,000	3,500,000
<b>Total \$</b>			1,350,000	1,350,000	2,700,000	3,100,000	3,500,000

**III. B - Expenditures by Object Or Purpose**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.1	1.1	1.1	1.1	1.1
A-Salaries and Wages	61,012	62,842	123,854	125,684	125,684
B-Employee Benefits	25,133	26,345	51,478	52,690	52,690
C-Professional Service Contracts					
E-Goods and Other Services	20,578	20,582	41,160	41,164	41,164
G-Travel	2,000	2,000	4,000	4,000	4,000
J-Capital Outlays	5,000		5,000		2,400
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	1,207,935	1,208,888	2,416,823	2,817,776	3,215,376
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	28,342	29,343	57,685	58,686	58,686
9-					
<b>Total \$</b>	1,350,000	1,350,000	2,700,000	3,100,000	3,500,000

**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 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Services - Indirect	111,168	0.1	0.1	0.1	0.1	0.1
Fiscal Analyst 2	61,012	1.0	1.0	1.0	1.0	1.0
<b>Total FTEs</b>		1.1	1.1	1.1	1.1	1.1

**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

<b>Bill Number:</b> 5465 SB	<b>Title:</b> Tourism marketing	<b>Agency:</b> 140-Department of Revenue
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## 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		(2,700,000)	(2,700,000)	(3,100,000)	(3,500,000)
Statewide Tourism Marketing Account-State 01 - Taxes 01 - Retail Sales Tax		2,700,000	2,700,000	3,100,000	3,500,000
<b>Total \$</b>					

### Estimated Expenditures from:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
GF-STATE-State 001-1	13,200		13,200		
<b>Total \$</b>	13,200		13,200		

### 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: Kellee Gunn	Phone: 86-7429	Date: 01/20/2023
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 # 5465-1-1

## 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:

Since 2018, 0.2% of state retail sales tax revenues generated from sales from lodging, car rentals and restaurants fund the Tourism Marketing Authority. The Department of Revenue transfers up to \$3 million of these revenues to the tourism marketing account per biennium.

A two-to-one match of non-state or non-general fund state fund must be provided for the tourism marketing account expenditures.

#### PROPOSAL:

This legislation decreases the matching funds from two-to-one to one-to-one.

This legislation increases the \$3 million per biennium cap to \$26 million.

#### 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

- Taxable sales growth mirrors the Economic and Revenue Forecast Council's November 2022 forecast of taxable retail sales growth.
- Matching funds will be met.

#### DATA SOURCES

- Department of Revenue excise tax return data - lodging tax, rental car, and restaurant data
- Economic and Revenue Forecast Council, November 2022 forecast

#### REVENUE ESTIMATES

This bill decreases state revenues by an estimated \$2.7 million in fiscal year 2025 since the cap is based on a biennium.

#### TOTAL REVENUE IMPACT:

##### State Government (cash basis, \$000):

FY 2024 -	\$ 0
FY 2025 -	\$ 0
FY 2026 -	\$ 0
FY 2027 -	\$ 0
FY 2028 -	\$ 0
FY 2029 -	\$ 0

Local Government, if applicable (cash basis, \$000): None.

**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 17,000 taxpayers subject to allocation of taxes to the statewide tourism marketing account.

**FIRST YEAR COSTS:**

The department will incur total costs of \$13,200 in fiscal year 2024. These costs include:

Object Costs - \$13,200.

- Contract computer system programming to update the cap on distribution of taxes to the statewide tourism marketing account.

**SECOND YEAR COSTS:**

The department will not incur any costs in fiscal year 2025.

**ONGOING COSTS:**

There are no ongoing costs.

**Part III: Expenditure Detail**

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
C-Professional Service Contracts	13,200		13,200		
<b>Total \$</b>	<b>\$13,200</b>		<b>\$13,200</b>		

**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**