

Multiple Agency Fiscal Note Summary

Bill Number: 5001 SB	Title: Public facility districts
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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	342,000	342,000	342,000	545,000	545,000	545,000	582,000	582,000	582,000
Total \$	342,000	342,000	342,000	545,000	545,000	545,000	582,000	582,000	582,000

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		33,850,000		53,910,000		57,610,000
Local Gov. Total		33,850,000		53,910,000		57,610,000

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 Commerce	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Revenue	1.1	240,900	240,900	240,900	.3	45,600	45,600	45,600	.2	27,200	27,200	27,200
Total \$	1.1	240,900	240,900	240,900	0.3	45,600	45,600	45,600	0.2	27,200	27,200	27,200

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	Non-zero but indeterminate cost and/or savings. Please see discussion.								
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 Commerce	.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	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Cheri Keller, OFM	Phone: (360) 584-2207	Date Published: Final
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Individual State Agency Fiscal Note

Bill Number: 5001 SB	Title: Public facility districts	Agency: 103-Department of Commerce
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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: Karen Epps	Phone: 360-786-7424	Date: 01/16/2023
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 01/18/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 01/18/2023
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.

Section 1 amends RCW 35.57.010 to allow the legislative authority of two or more contiguous towns or cities and the legislative authority of the county or counties in which the towns or cities are located to create an additional public facility district if they have previously created a public facilities district. The previously created facility is separate from any newly created facilities under this authority.

Section 2 amends RCW 35.57.020 to allow the newly created public facility district to acquire, construct, own, remodel, equip, reequip, repair, finance, and operate and maintain regional aquatics and sports facilities, including the construction, repair, remodel, and operation of community pools. This includes authority for transportation improvements that are associated with vehicle and pedestrian access to the regional aquatics or sports facility facility, including the new construction, reconstruction, and expansion of pedestrian trails, city streets, county roads, and state highways.

Section 3 amends RCW 82.14.048 to provide the authority to impose a local sales and use tax of not more than 0.2%. Funds from the tax may also make transportation improvements that are associated with vehicle and pedestrian access to the facility.

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.

There is no fiscal impact to the Department of Commerce (department). The proposed legislation would allow for the creation of additional public facility districts that are built, operated, and maintained outside of the department. The department does have authority to conduct a required public facilities district financial feasibility review for any new public facility district, new long-term leases, and any new indebtedness for a public facility district under RCW 35.57.025. The financial feasibility reviews are paid for by the public facility district or sponsoring local government. The department contracts for these services and can absorb contract management and consultant oversight responsibilities within existing staffing levels.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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: 5001 SB	Title: Public facility districts	Agency: 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	83,000	259,000	342,000	545,000	582,000
Total \$	83,000	259,000	342,000	545,000	582,000

Estimated Expenditures from:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.3	0.9	1.1	0.3	0.2
GF-STATE-State 001-1	168,800	72,100	240,900	45,600	27,200
Total \$	168,800	72,100	240,900	45,600	27,200

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: Karen Epps	Phone: 60-786-7424	Date: 01/16/2023
Agency Preparation: Beth Leech	Phone: 60-534-1513	Date: 01/18/2023
Agency Approval: Valerie Torres	Phone: 60-534-1521	Date: 01/18/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/19/2023

Request # 5001-1-1

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:

The legislative authority of any town or city, or any contiguous group of towns or cities, located in a county with a population of less than one million and the legislative authority of a contiguous county, or the legislative authority of the county or counties in which the towns or cities are located, may enter into an agreement for the creation and joint operation of a public facilities district (PFD).

The governing board of a PFD may submit an authorizing proposition to the voters of the district to impose a local sales and use tax. The rate may not exceed 0.2%.

PROPOSAL:

The legislative authority of two or more contiguous cities or the legislative authority of two or more contiguous cities and the counties in which they are located that have previously created a PFD, may create an additional PFD. This new PFD is authorized to acquire, construct, own, remodel, maintain, equip, reequip, repair, finance, and operate a regional aquatics and sports facility. This PFD may also provide funding for transportation improvements directly associated with facilitating access to the regional aquatics and sports facility.

The governing board of this regional aquatics district may submit an authorizing proposition to the voters of the district to approve an additional local sales and use tax at a rate of 0.2% regardless of the tax imposed by any other PFD within its boundaries.

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

- Voters approve the tax for the following public facilities districts:

Greater Wenatchee Public Facilities District

- Wenatchee,
- East Wenatchee,
- Cashmere,
- Waterville,
- Chelan City,
- Entiat,
- Rock Island,
- Unincorporated Chelan County, and
- Unincorporated Douglas County.

Capital Area Regional Public Facilities District

- Lacey,
- Olympia,
- Tumwater, and
- Unincorporated Thurston County.

- The Department of Revenue (department) keeps 1% of collections for administrative costs.

Request # 5001-1-1

- This legislation passes effective July 21, 2023.
- Jurisdictions submit this to the voters in November 2023 and implement this tax on January 1, 2024, resulting in four months of cash collections for fiscal year 2024.

DATA SOURCES

- Department of Revenue, excise tax return data
- Economic and Revenue Forecast Council, November 2022 forecast for taxable retail sales
- Engage Olympia's Regional Aquatics Facilities Study: <https://engage.olympiawa.gov/regional-aquatics-facilities-study>

REVENUE ESTIMATES

This bill increases state revenues by an estimated \$83,000 in the 4 months of impacted collections in Fiscal Year 2024, and by \$259,000 in Fiscal Year 2025, the first full year of impacted collections. These increases are due to the administrative fee.

This bill also increases local revenues by an estimated \$8.2 million in the 4 months of impacted collections in Fiscal Year 2024, and by \$25.6 million in Fiscal Year 2025, the first full year of impacted collections.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2024 -	\$ 83
FY 2025 -	\$ 259
FY 2026 -	\$ 268
FY 2027 -	\$ 277
FY 2028 -	\$ 286
FY 2029 -	\$ 296

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

FY 2024 -	\$ 8,220
FY 2025 -	\$ 25,630
FY 2026 -	\$ 26,510
FY 2027 -	\$ 27,400
FY 2028 -	\$ 28,330
FY 2029 -	\$ 29,280

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 estimate affects 50,400 taxpayers.

FIRST YEAR COSTS:

The department will incur total costs of \$168,800 in fiscal year 2024. These costs include:

- Labor Costs – Time and effort equate to 1.3 FTE.
 - Set up, program, and test computer system changes.
 - Computer system monitoring and maintenance.
 - Resolve returns in error, out of balance, and amended returns; prepare refunds and assessments; and respond to secure messages.

- Work complex accounts, review local jurisdiction ordinances, and monitor local tax distribution.
- Attend implementation meetings.
- Create a special notice and update web content.
- Respond to additional telephone questions, email, and written correspondence.

Object Costs - \$37,700.

- Contract computer system programming.
- Printing and postage.

SECOND YEAR COSTS:

The department will incur total costs of \$72,100 in fiscal year 2025. These costs include:

Labor Costs – Time and effort equate to 0.9 FTE.

- Resolve error, out of balance, and amended returns; prepare refunds and assessments; and respond to secure messages.
- Respond to additional telephone questions, email, and written correspondence.
- Work complex accounts, review local jurisdiction ordinances, and monitor local tax distribution.

ONGOING COSTS:

Ongoing costs for the 2025-27 biennium equal \$45,600 and include similar activities described in the second-year costs. Time and effort equate to 0.3 FTE in fiscal year 2026 and 0.2 FTE 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	1.3	0.9	1.1	0.3	0.2
A-Salaries and Wages	76,100	44,200	120,300	29,100	17,400
B-Employee Benefits	25,200	14,600	39,800	9,600	5,700
C-Professional Service Contracts	35,200		35,200		
E-Goods and Other Services	23,200	10,100	33,300	5,400	3,200
J-Capital Outlays	9,100	3,200	12,300	1,500	900
Total \$	\$168,800	\$72,100	\$240,900	\$45,600	\$27,200

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 2	55,872	0.1	0.2	0.2	0.2	0.1
EXCISE TAX EX 3	61,632	0.2	0.1	0.2	0.1	0.1
IT SYS ADM-JOURNEY	92,844	0.1		0.1		
MGMT ANALYST4	73,260	0.3		0.2		
TAX INFO SPEC 1	44,808	0.6	0.6	0.6		
Total FTEs		1.3	0.9	1.1	0.3	0.2

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: 5001 SB

Title: Public facility districts

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

Legislation Impacts:

- Cities: Indeterminate increased staff costs, election costs
- Counties: Indeterminate increased staff costs, election costs
- Special Districts: Increased revenue for Public Facility Districts
- Specific jurisdictions only:
- Variance occurs due to: Staff costs per jurisdiction are likely to vary

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs: Election costs
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time: It is assumed that elections will take place and that a new sales tax will be approved by voters

Estimated revenue impacts to:

Jurisdiction	FY 2024	FY 2025	2023-25	2025-27	2027-29
Special District	8,220,000	25,630,000	33,850,000	53,910,000	57,610,000
TOTAL \$	8,220,000	25,630,000	33,850,000	53,910,000	57,610,000
GRAND TOTAL \$					145,370,000

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Angie Hong	Phone: 360-725-5041	Date: 01/22/2023
Leg. Committee Contact: Karen Epps	Phone: 360-786-7424	Date: 01/16/2023
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/22/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/23/2023

Part IV: Analysis

A. SUMMARY OF BILL

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

This bill authorizes “the legislative authority of two or more contiguous towns or cities or the legislative authority of two or more contiguous towns or cities and the legislative authority of the county or counties in which the towns or cities are located, each of which previously created a public facilities district” to:

- create an additional public facilities district
- acquire, construct, own, remodel, maintain, equip, reequip, repair, finance, and operate regional aquatics and sports facilities, including the purchase, acquisition, construction, repairing, remodeling, and operation of community pools within the district.
- provide funding for transportation improvements directly associated with facilitating motor vehicle and pedestrian access to regional aquatics and sports facilities, which includes funding for new construction, reconstruction, and expansion of pedestrian trails, city streets, county roads, and state highways.
- impose a tax at a rate of two-tenths of one percent regardless of the tax imposed by any other public facilities district within its boundaries.

NOTE

According to the Dept. of Revenue fiscal note, it is assumed that this bill applies to the following jurisdictions, which will create two new Public Facility Districts.

1. Greater Wenatchee Public Facilities District: Wenatchee, East Wenatchee, Cashmere, Waterville, Chelan City, Entiat, Rock Island, Unincorporated Chelan County, and Unincorporated Douglas County.
2. Capital Area Regional Public Facilities District: Lacey, Olympia, Tumwater, and Unincorporated Thurston County.

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 will result in an indeterminate increase in expenditures for cities and counties that opt to create a new Public Facility District (PFD).

CITY AND COUNTY STAFF COSTS

The scale of increased staff costs is unknown for the local jurisdictions (10 cities and 3 counties) involved with creating new public facility districts, and will vary from one jurisdiction to another.

ELECTION COSTS

The governing board of a newly created PFD, may submit an authorizing proposition to the voters of the district to impose a local sales and use tax up to 0.2%. PFDs that choose to add a ballot measure would incur increased but indeterminate costs. Adding a ballot measure could increase the ballot size and number of printed pages. However, the length of the ballot, and the length of the measure that a county might add cannot be predicted. Therefore, the increased printing costs are indeterminate. Because cities, counties and special purpose districts participating in elections pay their proportionate share of election costs to print ballots and voter pamphlets, any increased costs counties experience as a result of printing more pages would proportionately impact cities and special districts in the same indeterminate manner.

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.

The Dept. of Revenue assumes that two Public Facility Districts (PFDs) will be created, will put a proposition to the voters of the districts to enact an additional local sales and use tax, and that the people will vote for and approve the tax.

Based upon these assumptions, it is predicted that this bill will increase PFD revenues by an estimated \$8.2 million in the 4 months of impacted collections in Fiscal Year 2024, and by \$25.6 million in Fiscal Year 2025, the first full year of impacted

collections.

The revenue generated will go to the newly created Public Facility Districts (a type of special district).

FY 2024 -	\$ 8,220,000
FY 2025 -	\$ 25,630,000
FY 2026 -	\$ 26,510,000
FY 2027 -	\$ 27,400,000
FY 2028 -	\$ 28,330,000
FY 2029 -	\$ 29,280,000

SOURCES

Dept. of Revenue

Municipal Research Services Center