

Multiple Agency Fiscal Note Summary

Bill Number: 5612 SB	Title: Cultural access programs/tax
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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	Non-zero but indeterminate cost and/or savings. Please see discussion.					
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	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.0	0	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 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
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

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Prepared by: Cheri Keller, OFM

Phone:
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Date Published:
Final 2/ 6/2023

Department of Revenue Fiscal Note

Bill Number: 5612 SB	Title: Cultural access programs/tax	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:	Phone:	Date: 01/31/2023
Agency Preparation: Beth Leech	Phone: (603) 60-534-1513	Date: 02/05/2023
Agency Approval: Valerie Torres	Phone: (603) 60-534-1521	Date: 02/05/2023
OFM Review: Cheri Keller	Phone: (603) 60-584-2207	Date: 02/06/2023

Request # 5612-1-1

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:

A county or city may impose a local sales tax of up to 0.1% for cultural access programs with voter approval. The county or city may reimpose the tax for one or more additional periods of up to seven consecutive years with voter approval.

PROPOSAL:

Cities may not impose the tax until after December 31, 2024. If a county has not imposed this sales and use tax by December 31, 2024, a city within that county may impose the sales and use tax with voter approval, but voter approval is not required. The county or city may reimpose the tax for one or more additional periods of up to seven consecutive years and may condition its reimposition on voter approval.

A county and a city within that county may not concurrently impose the cultural access program local sales and use tax.

This proposal applies prospectively only.

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.

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

The local revenue impact is indeterminate since it is unknown which jurisdictions would impose this new tax.

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 will have minimal costs of approximately \$10,800 in fiscal year 2024 associated with implementation meetings and updating website and forms content but will absorb these costs within current funding.

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: 5612 SB

Title: Cultural access programs/tax

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

Legislation Impacts:

- Cities: potential tax revenue increase
- Counties: potential tax revenue increase
- Special Districts:
- Specific jurisdictions only:
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option: cities and counties can impose the tax without voter approval
- Key variables cannot be estimated with certainty at this time: which jurisdictions would impose the cultural access tax

Estimated revenue impacts to:

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

Estimated expenditure impacts to:

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

Part III: Preparation and Approval

Fiscal Note Analyst: Tammi Alexander	Phone: 360-725-5038	Date: 02/06/2023
Leg. Committee Contact:	Phone:	Date: 01/31/2023
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/06/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/06/2023

Part IV: Analysis

A. SUMMARY OF BILL

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

This bill would modifying the sales and use tax for cultural access programs by:

- allowing counties and cities the option of imposing a 0.1% cultural access program sales and use tax without voter approval
- allowing a city to impose the tax after December 31, 2024, if it has not been imposed by the county
- prohibiting a county and a city within the county from imposing the tax concurrently

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.

By itself, the authority granted in this resolution has no fiscal impact.

Cities and counties previously had the option to impose this additional tax by ordinance with voter approval. There are costs associated with passing an ordinance, but this impact is not new. There would be election costs savings related to no longer needing voter approval, those savings are indeterminate.

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.

By itself, the authority granted in this resolution has no fiscal impact.

This bill would increase tax revenue for the cities and counties pursuing the local option of imposing the cultural access tax. It is unknown which cities or counties would impose the tax, therefore impacts are indeterminate.

SOURCES:

Department of Revenue fiscal note, HB 1575

House Bill Analysis, HB 1575, Local Government Committee (2023)



Multiple Agency Ten-Year Analysis Summary

Bill Number 5612 SB	Title Cultural access programs/tax
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This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

Estimated Cash Receipts

Department of Revenue	0	0	0	0	0	0	0	0	0	0	0



Ten-Year Analysis

Bill Number 5612 SB	Title Cultural access programs/tax	Agency 140 Department of Revenue
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code												
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Agency Preparation: Beth Leech	Phone: 360-534-1513	Date: 2/5/2023 8:59:37 pm
Agency Approval: Valerie Torres	Phone: 360-534-1521	Date: 2/5/2023 8:59:37 pm
OFM Review:	Phone:	Date: