

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5386 SB	<b>Title:</b> Document recording fees
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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 Commerce	Non-zero but indeterminate cost and/or savings. Please see discussion.								
<b>Total \$</b>	0	0	0	0	0	0	0	0	0

## 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	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Office of Financial Management	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	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 Commerce	.0	0	0	.0	0	0	.0	0	0
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	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

<b>Prepared by:</b> Gwen Stamey, OFM	<b>Phone:</b> (360) 790-1166	<b>Date Published:</b> Final 2/13/2023
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5386 SB	<b>Title:</b> Document recording fees	<b>Agency:</b> 103-Department of Commerce
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## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

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

### Estimated Operating Expenditures from:

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

### 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: Melissa Van Gorkom	Phone: 360-786-7491	Date: 01/16/2023
Agency Preparation: Tedd Kelleher	Phone: 360-725-2930	Date: 02/10/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 02/10/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/13/2023

## 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 adds a new section that consolidates four existing document recording fees used to fund homelessness and affordable housing into a single fee and consolidates allowable activities.

Please see attached table for reference.

Section 2 amends RCW 43.185C.060 removing references to separate fees that are repealed and replaced by a single fee in Section 1 and eliminates an audit of a requirement that was repealed.

Section 3 adds a new section that repeals the separate fees that are replaced by a single fee in Section 1.

### 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 does not significantly change the allocation of funding or allowable uses.

The included table shows the split of funding under current law, which aligns with the proportions proposed in Section 1 of this bill:

### 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.*

This legislation does not significantly change the allocation of funding or allowable uses.

The included table shows the split of funding under current law, which aligns with the proportions proposed in Section 1 of this bill:

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

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

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

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

**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

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.*

The following table shows the split of funding under current law, which aligns with the proportions proposed in Section 1 of this bill:

<u>Current RCW</u>	<u>Fee</u>	<u>County's portion (incl. auditor)</u>	<u>Transfer to 10B</u>	<u>Transfer to 12C</u>	<u>Transfer to 22S</u>
36.22.176	\$100.00	0.00%	78.00%	20.00%	2.00%
36.22.178	\$13.00	60.00%	0.00%	30.80%	9.20%
36.22.179	\$62.00	67.30%	32.70%	0.00%	0.00%
36.22.1791	\$8.00	90.00%	10.00%	0.00%	0.00%
TOTAL	\$183.00	30.98%	54.16%	13.11%	1.75%

**Assuming 1 million documents recorded annually**

	<u>Fee</u>	<u>County's portion (incl. auditor)</u>	<u>Transfer to 10B</u>	<u>Transfer to 12C</u>	<u>Transfer to 22S</u>
Current law	\$183,000,000	\$56,696,000	\$99,104,000	\$24,000,000	\$3,200,000
Proposed law	\$183,000,000	\$56,730,000	\$98,820,000	\$23,790,000	\$3,660,000
Change	\$0	\$34,000	\$284,000	\$210,000	\$460,000

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5386 SB	<b>Title:</b> Document recording fees	<b>Agency:</b> 105-Office of Financial Management
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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: Melissa Van Gorkom	Phone: 360-786-7491	Date: 01/16/2023
Agency Preparation: Keith Thunstedt	Phone: 360-810-1271	Date: 01/19/2023
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 01/19/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/19/2023

## 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 2 (4) removes the requirement established in 2018 for OFM to secure an independent expenditure review of state funds received into the Home Security Fund account. OFM did not receive funding to conduct this review and therefore, the removal of this requirement has no fiscal impact.

### 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.*

## 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.*

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

**Bill Number:** 5386 SB

**Title:** Document recording fees

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

### Legislation Impacts:

- Cities:
- Counties: Indeterminate, but likely minimal, savings in staff time due to consolidation of fees.
- Special Districts:
- Specific jurisdictions only:
- Variance occurs due to:

## Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs: Indeterminate costs for county auditors to change processes for document recording fees
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time:

### Estimated revenue impacts to:

None

### Estimated expenditure impacts to:

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

## Part III: Preparation and Approval

Fiscal Note Analyst: Alice Zillah	Phone: 360-725-5035	Date: 01/23/2023
Leg. Committee Contact: Melissa Van Gorkom	Phone: 360-786-7491	Date: 01/16/2023
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.*

Section 1 adds a new section that consolidates four existing document recording fees used to fund homelessness and affordable housing into a single fee and consolidates allowable activities.

Section 2 amends RCW 43.185C.060 removing references to separate fees that are repealed and replaced by a single fee in Section 1 and eliminates an audit of a requirement that was repealed.

Section 3 adds a new section that repeals the separate fees that are replaced by a single fee in Section 1.

### **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.*

The legislation would have indeterminate impacts for county auditors, treasurers, and assessors, as they would need to adjust their procedures to process the new document recording fee and eliminate the ones removed by the legislation. These changes would result in one-time costs. Processes differ from county to county, so it is not possible to estimate total costs.

After the first year, there would be minor, indeterminate savings in staff time due to consolidated processes.

### **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 legislation would have a negligible impact on local government revenue. Thirty-one percent of the new document recording fee would be allocated to counties; of which the majority would be reserved for housing and homeless programs. Previously, 30.98% of the fees were directed to counties. The difference is not expected to have any practical impact on local government budgets.

#### **SOURCES:**

Department of Commerce  
Washington State Association of Counties  
Clark County Treasurer's Office  
Thurston County's Assessor's Office



# Multiple Agency Ten-Year Analysis Summary

<b>Bill Number</b> 5386 SB	<b>Title</b> Document recording fees
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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 Commerce Indeterminate Impact	0	0	0	0	0	0	0	0	0	0	0
Office of Financial Management	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# Ten-Year Analysis

<b>Bill Number</b> 5386 SB	<b>Title</b> Document recording fees	<b>Agency</b> 103 Department of Commerce
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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**

## Estimated Cash Receipts

Name of Tax or Fee	Acct Code											
<b>Total</b>												

### Biennial Totals

## Narrative Explanation (Required for Indeterminate Cash Receipts)

I-960 Implications - No change to current fee totals:

Section 1 adds a new section that consolidates four existing document recording fees used to fund homelessness and affordable housing into a single fee and consolidat allowable activities.

Section 2 amends RCW 43.185C.060 removing references to separate fees that are repealed and replaced by a single fee in Section 1 and eliminates an audit of a requirement that was repealed.

Section 3 adds a new section that repeals the separate fees that are replaced by a single fee in Section 1.

Cash Receipts Impact - No change to cash receipt totals:

Section 1 adds a new section that consolidates four existing document recording fees used to fund homelessness and affordable housing into a single fee and consolidat allowable activities.

Section 2 amends RCW 43.185C.060 removing references to separate fees that are repealed and replaced by a single fee in Section 1 and eliminates an audit of a



# Ten-Year Analysis

<b>Bill Number</b> 5386 SB	<b>Title</b> Document recording fees	<b>Agency</b> 103 Department of Commerce
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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> .

## Narrative Explanation (Required for Indeterminate Cash Receipts)

requirement that was repealed.

Section 3 adds a new section that repeals the separate fees that are replaced by a single fee in Section 1.

Agency Preparation: Tedd Kelleher	Phone: 360-725-2930	Date: 2/10/2023 6:06:41 pm
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 2/10/2023 6:06:41 pm
OFM Review:	Phone:	Date:



# Ten-Year Analysis

<b>Bill Number</b> 5386 SB	<b>Title</b> Document recording fees	<b>Agency</b> 105 Office of Financial Management
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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**

<b>Name of Tax or Fee</b>	<b>Acct Code</b>												
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Agency Preparation: Keith Thunstedt	Phone: 360-810-1271	Date: 1/19/2023 2:29:14 pm
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 1/19/2023 2:29:14 pm
OFM Review:	Phone:	Date: