

Multiple Agency Fiscal Note Summary

Bill Number: 5229 S SB S-1276.2	Title: Site readiness grants
----------------------------------------	-------------------------------------

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	Fiscal note not available					
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 Commerce	.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	Fiscal note not available								
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
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	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Myra Baldini, OFM	Phone: (360) 688-8208	Date Published: Preliminary 2/13/2023
---------------------------------------	---------------------------------	-------------------------------------------------

Individual State Agency Fiscal Note

Bill Number: 5229 S SB S-1276.2	Title: Site readiness grants	Agency: 103-Department of Commerce
-------------------------------------------	-------------------------------------	-------------------------------------------

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: Kellee Gunn	Phone: 786-7429	Date: 02/08/2023
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 02/10/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 02/10/2023
OFM Review: Myra Baldini	Phone: (360) 688-8208	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.

Differences between the original bill and the substitute bill:

Section 2 is revised to require Community Economic Revitalization Board (CERB) to define site readiness.

Section 3 is added reporting requirements pertaining to the number, value and percentage of awards that used minority and women's, veterans and other not yet certified businesses as part of a CERB award.

The changes in this substitute bill would not create new costs for CERB.

Summary of the substitute bill:

Section 1 adds a new section providing legislative intent to ensure equitable recovery and provide business predictability through promotion of site readiness grants and investing in predevelopment work that supports businesses choose Washington.

Section 2 amends RCW 43.160.060 by adding “costs of achieving site readiness” as an element of planning grants within the CERB existing program. It also removes the limit for planning grants from the current \$50,000 limit. After December 31, 2028, planning grants may not exceed \$200,000.

Section 3 amends RCW 43.160.900 for CERB reporting requirements to identify the biennial total number, percentage, and dollar amount of projects' use of certified businesses by the Office of Minority and Women's Business Enterprises under chapter 39.19 RCW, the Department of Veterans Affairs under chapter 43.60A RCW, and any businesses not yet certified with these organizations but that self-report as meeting the requirements of certification. Biennial reports remain due on December 31 of every even-numbered year.

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 impact to the department. The addition of site readiness as an eligible activity of CERB planning grants is in alignment with the existing programs administered by CERB and can be absorbed into CERB's existing model at current staffing levels. The addition of reporting requirements will require updates to CERB project close out reports and additional tracking within the CERB project database, and can also be absorbed into current 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

There is no impact to the department. Increasing the maximum allowable planning grants from \$50,000 would allow CERB to finance larger planning projects, including new site readiness plans, which fits within CERB's existing project development business model.

The impact of the proposed legislation on the number of planning awards is unclear and subject to the availability of amounts appropriated for CERB and the level of funding requested within communities' applications. Specifically, an increased appropriation will result in increased CERB awards, and the removal of the \$50,000 planning cap may result in an increase in the size of a planning award. From a sample of 12 counties from 2016 to 2022, CERB has awarded 48 planning grants at an average size of \$46,800 with nearly 80% being funded at the current statutory cap of \$50,000.

Part V: New Rule Making Required

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

CERB has rule-making authority within current statute if rule-making becomes necessary.