

Individual State Agency Fiscal Note

Revised

Bill Number: 5697 SB	Title: Mobile home park rates	Agency: 215-Utilities and Transportation Commission
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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:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	6.0	3.4	4.7	3.4	3.4
Account					
Public Service Revolving Account-State 111-1	761,229	358,829	1,120,058	717,658	717,658
Total \$	761,229	358,829	1,120,058	717,658	717,658

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.

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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 definition for Consumer Price Index (CPI).

Section 2: Disallows a mobile home park/ manufactured home community (MHC) landlord from increasing rent for any tenant during the first year of their tenancy. After one year rent could not be increased more than the rate of inflation as measured by CPI. This section also clarifies that rents cannot be raised due to changes in tenant or landlord.

Section (6)(a) Requires landlords of an MHC to file an annual report to the Commission that contains:

- (i) total number of homes in each park
- (ii) length and type of terms or each home in the park
- (iii) annual turnover of renters for each park
- (iv) all expenditures and collections for rental services
- (v) listing of all increases to rental rates for the reporting year

Section (6)(b): Requires landlords to report the service charges and collections for gas or electric services to tenants.

Section (6)(c): Describes the method of calculation of late charges for any delinquency in paying rent or utilities.

Section 3: This section allows greater increases in rent for landlords participating the banked capacity program, a program for which the UTC must adopt rules, maintain data. It is assumed, but not clear whether, the UTC will be responsible for compliance with the program. A banked capacity program is a mechanism for the landlord to use if they do not increase the rent in a 12-month period. Under this program, the landlord may choose to bank the rent increase capacity for future years. There are consumer notification requirements for the program requiring a landlord that participates in the Banked Capacity Program to provide an annual notice to current and prospective tenants of the total banked capacity and possible future rent increases.

Section 4: Amends RCW 80 to add regulating in the public interest the rates and services of all persons engaging within this state the business of acting as a landlord for mobile home parks.

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.

The bill does not explicitly provide a funding source to support the workload required by the UTC. It is unclear if General Fund-State money will support the regulation or if the intent is for the landlords to pay regulatory fees to the UTC similar to other existing UTC-regulated industries.

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.

Section 2 (6)(a) requires each landlord of an MHC to annually file a report with the Commission. The Commission currently receives annual reports from the 1,200 other companies it currently regulates and assume this new system would be similar and would accommodate the 1,132 expected reports from landlords.

Based on development of the current system, the new system would require:

FY2024 - \$206,459

(FY2024 – IT App Developer-Journey - 0.83 FTE, IT App Development Mgr-0.21 FTE, IS Project Manager-0.17 FTE, Senior Regulatory Advisor-0.10 FTE, Deputy Director, Regulatory Services-0.02 FTE)

Section 3 allows landlords to participate in a banked capacity program, to be administered by the Commission.

Section 3(2) directs the Commission to develop rules to implement the banked capacity program and establish associated processes. Other Commission rules may need to be reviewed and updated to implement this measure. This would require a complex rulemaking in 2024.

FY24 One-time Expenditure \$195,941

(Administrative Law Judge-0.17 FTE; Commissioner, 0.02 FTE; Consumer Program Specialist 3-0.31 FTE; Assistant Director, Policy, 0.10 FTE; Director Regulatory Services, 0.05 FTE; Deputy Director Regulatory Services, 0.05 FTE; Policy Adviser, 0.13 FTE; Paralegal 3-0.31 FTE; Regulatory Analyst 3, 0.31 FTE; Regulatory Analyst 2, 0.05 FTE)

Section 4(4) directs the Commission to regulate in the public interest the rates and services of all persons engaging within this state in the business of acting as a landlord for mobile home/manufactured home communities.

It is assumed that this regulation would be limited to ensuring landlords had not increased the rent beyond the limit allowed in Section 2, or as allowed in the banked capacity program identified in Section 3.

This would entail a position (similar to the existing annual reports position at the Commission) to participate in system development in FY2024, and review the annual reports, determine compliance with Sections 2 and 3, maintain a landlord contact information database, and post available information on the agency website as required by Section 3(3) in all subsequent years. There would also be costs for maintaining the data base, and landlord contact information in existing systems.

FY2024 and all subsequent years - \$170,569

(Regulatory Analyst 3 – 1.0 FTE, Deputy Director, Regulatory Services-0.04 FTE, Records Management Specialist-0.10 FTE, IT App Developer-Journey -0.10 FTE, Administrative Assistant 3-0.04 FTE).

In addition, this would require additional staff to investigate and resolve consumer complaints filed by tenants of mobile home/manufactured home landlords. With there being approximately 1,132 mobile home/manufactured home communities, the assumption is that the total tenant count could be as much as 113,200 tenants based on the assumption that there are at least 100 tenants per mobile home/manufactured home community. It is assumed two additional consumer complaint positions would be needed to investigate informal consumer complaints.

FY2024 and all subsequent years - \$ 188,260

(Consumer Program Specialist 2 – 2.0 FTE; Asst. Director, Consumer Protection & Compliance - 0.01 FTE; Consumer Protection Manager - 0.02 FTE; Investigator 3 - 0.02 FTE; Administrative Assistant 3 - 0.01 FTE).

The bill is silent on funding source. The UTC does not have the financial resources to complete this work without both the indicated expenditure authority and corresponding revenue. Either a regulatory fee needs to be established within the legislation or General Fund-State funding needs to be provided to support the workload of the UTC.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
111-1	Public Service Revolving Account	State	761,229	358,829	1,120,058	717,658	717,658
Total \$			761,229	358,829	1,120,058	717,658	717,658

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	6.0	3.4	4.7	3.4	3.4
A-Salaries and Wages	509,692	244,102	753,794	488,204	488,204
B-Employee Benefits	178,391	85,435	263,826	170,870	170,870
C-Professional Service Contracts					
E-Goods and Other Services	73,146	29,292	102,438	58,584	58,584
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	761,229	358,829	1,120,058	717,658	717,658

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 Asst. 3	50,592	0.1	0.1	0.1	0.1	0.1
Administrative Law Judge	119,088	0.2		0.1		
Asst Director, Consumer Protection & Compliance	111,444	0.0	0.0	0.0	0.0	0.0
Asst. Director, Policy	110,064	0.1		0.1		
Commissioner	168,012	0.1		0.0		
Cons Prog Spec 2	61,632	2.0	2.0	2.0	2.0	2.0
Cons Prog Spec 3	68,076	0.3		0.2		
Consumer Program Manager	82,176	0.0	0.0	0.0	0.0	0.0
Deputy Director Regulatory Services	117,996	0.1	0.0	0.1	0.0	0.0
Director, Regulatory Services	134,532	0.1		0.0		
Investigator 3	77,028	0.0	0.0	0.0	0.0	0.0
IS Project Manager	107,676	0.2		0.1		
IT App Development - Journey	100,032	0.9	0.1	0.5	0.1	0.1
IT App Development - Manager	127,656	0.2		0.1		
Paralegal 3	78,900	0.1		0.0		
Policy Advisor	100,008	0.1		0.1		
Records Management Specialist	49,404	0.1	0.1	0.1	0.1	0.1
Regulatory Analyst 2	82,896	0.1		0.0		
Regulatory Analyst 3	93,840	1.3	1.0	1.2	1.0	1.0
Senior Regulatory Advisor/Analyst	99,480	0.1		0.1		
Total FTEs		6.0	3.4	4.7	3.4	3.4

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.

Section 3(2) directs the Commission to develop rules to implement the banked capacity program and establish associated processes. Other Commission rules may need to be reviewed and updated to implement this measure. This would require a complex rulemaking in 2024.