

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1412 HB	<b>Title:</b> Ag. land/foreign ownership
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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
Office of Attorney General	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
Office of Attorney General	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Agriculture	Non-zero but indeterminate cost and/or savings. Please see discussion.											
<b>Total \$</b>	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Department of Agriculture	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	0.0	0	0	0.0	0	0	0.0	0	0

## Estimated Capital Budget Breakout

<b>Prepared by:</b> Matthew Hunter, OFM	<b>Phone:</b> (360) 529-7078	<b>Date Published:</b> Final 2/13/2023
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1412 HB	<b>Title:</b> Ag. land/foreign ownership	<b>Agency:</b> 100-Office of Attorney General
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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: John Burzynski	Phone: 360-786-7133	Date: 02/08/2023
Agency Preparation: Chad Standifer	Phone: 3605863650	Date: 02/13/2023
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 02/13/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	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 – New Section – Findings.

Section 2 – New Section – Amends RCW 64.16.006 to provide that, on or after August 1, 2023, no foreign government, foreign state-controlled enterprise, foreign business entity, or foreign controlled domestic business entity may purchase agricultural land in Washington State unless authorized by U.S. treaty. Requires the Washington State Department of Agriculture (AGR), beginning January 1, 2024, to review agricultural land sales. AGR may not approve sales if prohibited by this section. Authorizes a buyer to bring superior court action to seek review of an AGR decision. Authorizes AGR to adopt rules. Makes a violation of this section a gross misdemeanor. Makes a violation of this section an unfair or deceptive act in trade or commerce and an unfair method of competition under the Consumer Protection Act, RCW 19.86. Authorizes remedies for a prevailing plaintiff enforcing this section. Adds definitions.

Section 3 – New Section – Severability clause.

Section 4 – New Section – Provides that if funding is not provided for Section 2(3) (the AGR review process) by June 30, 2023, Section 2(3) is null and void.

### 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.*

Indeterminate.

AGO AGENCY ASSUMPTIONS:

None.

### 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.*

Indeterminate expenditure impact.

1. Assumptions for the Attorney General's Office (AGO) Agriculture and Health Division's (AHD) Legal Services for the Washington State Department of Agriculture (AGR):

The AGO agrees with AGR that this bill would have a substantial but indeterminate impact on its needs for new legal services from the AGO.

This bill would require AGR to review every agricultural land transaction in Washington (WA) to determine if the buyer is a prohibited foreign entity. If AGR denies a transaction, the parties to the transaction have a right to superior court review.

This bill would require extensive legal advice on rulemaking, establishing a program for reviewing transactions program, ongoing program administration, and review of sales and legal representation in proceedings in superior court and higher courts.

The AGO has no basis for estimating how many agricultural land transactions occur annually in WA and thus how many

transactions AGR may need AGO legal advice on and how many superior court cases the AGO would represent AGR in.

AHD: Total non-Seattle workload impact:

Indeterminate

2. The AGO Consumer Protection Division (CPD) has reviewed this bill and determined it will not significantly increase or decrease the division's workload. New legal services are nominal and costs are not included in this request.

## 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

## Part V: New Rule Making Required

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

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1412 HB	<b>Title:</b> Ag. land/foreign ownership	<b>Agency:</b> 495-Department of Agriculture
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## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### 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: John Burzynski	Phone: 360-786-7133	Date: 02/08/2023
Agency Preparation: Kelly McLain	Phone: 360-902-1945	Date: 02/13/2023
Agency Approval: Jeannie Brown	Phone: 360-902-1989	Date: 02/13/2023
OFM Review: Matthew Hunter	Phone: (360) 529-7078	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.*

HB 1412 is related to foreign ownership of agricultural lands, amends RCW 64.16.005, creates new sections, and prescribes penalties.

Section 1 – New Section – Findings.

Section 2 – New Section – Amends RCW 64.16.006 to provide that, on or after August 1, 2023, no foreign government, foreign state-controlled enterprise, foreign business entity, or foreign controlled domestic business entity may purchase agricultural land in Washington State unless authorized by U.S. treaty. Requires the Washington State Department of Agriculture (AGR), beginning January 1, 2024, to review agricultural land sales. AGR may not approve sales if prohibited by this section. Authorizes a buyer to bring superior court action to seek review of an AGR decision. Authorizes AGR to adopt rules. Makes a violation of this section a gross misdemeanor. Makes a violation of this section an unfair or deceptive act in trade or commerce and an unfair method of competition under the Consumer Protection Act, RCW 19.86. Authorizes remedies for a prevailing plaintiff enforcing this section. Adds definitions.

Section 3 – New Section – Severability clause.

Section 4 – New Section – Provides that if funding is not provided for Section 2(3) (the AGR review process) by June 30, 2023, Section 2(3) is null and avoid.

This bill would require AGR to review every agricultural land transaction in Washington (WA) to determine if the buyer is a prohibited foreign entity. If AGR denies a transaction, the parties to the transaction have a right to superior court review.

This bill would require AGR to establish a new program for reviewing all agricultural land transactions in WA and would require extensive legal advice and representation in proceedings in superior court and higher courts.

At this time AGR has no basis for estimating how many agricultural land transactions occur annually in WA to be able to determine the size, scope, and cost to create and administer this type of program. Fiscal impact is indeterminate.

### 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.*

No cash receipts impact.

### 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

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

No capital impact.

**Part V: New Rule Making Required**

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