

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5727 SB	<b>Title:</b> Common int. comms./consumers
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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	No fiscal impact					
Loc School dist-SPI						
Local Gov. Other						
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
Administrative Office of the Courts	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Attorney General	6.5	1,970,000	1,970,000	1,970,000	5.1	1,534,000	1,534,000	1,534,000	3.8	1,098,000	1,098,000	1,098,000
<b>Total \$</b>	<b>6.5</b>	<b>1,970,000</b>	<b>1,970,000</b>	<b>1,970,000</b>	<b>5.1</b>	<b>1,534,000</b>	<b>1,534,000</b>	<b>1,534,000</b>	<b>3.8</b>	<b>1,098,000</b>	<b>1,098,000</b>	<b>1,098,000</b>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

## Estimated Capital Budget Expenditures

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

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

# Estimated Capital Budget Breakout

<b>Prepared by:</b> Cheri Keller, OFM	<b>Phone:</b> (360) 584-2207	<b>Date Published:</b> Final 2/17/2023
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# Judicial Impact Fiscal Note

<b>Bill Number:</b> 5727 SB	<b>Title:</b> Common int. comms./consumers	<b>Agency:</b> 055-Administrative Office of the Courts
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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 revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.*

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 for 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.

Legislative Contact: Ryan Giannini	Phone: 3607867285	Date: 02/14/2023
Agency Preparation: Angie Wirkkala	Phone: 360-704-5528	Date: 02/15/2023
Agency Approval: Chris Stanley	Phone: 360-357-2406	Date: 02/15/2023
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 02/16/2023

183,585.00

Request # 192-1

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact on the Courts

This bill would clarify and expand the duties of sellers and common interest community associations (apartment owner's associations, homeowner's associations, etc.) and would bar non-judicial foreclosures for nonpayment of association assessments and clarify requirements for judicial foreclosures.

### II. B - Cash Receipts Impact

### II. C - Expenditures

There would be no fiscal impact to the Administrative Office of the Courts. The courts would experience minimal impact when the Office of the Attorney General takes action for failure to follow the law's requirements.

## Part III: Expenditure Detail

### III. A - Expenditure By Object or Purpose (State)

NONE

### III. B - Expenditure By Object or Purpose (County)

NONE

### III. C - Expenditure By Object or Purpose (City)

NONE

### III. D - FTE Detail

NONE

### III. E - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

### IV. B1 - Expenditures by Object Or Purpose (State)

NONE

### IV. B2 - Expenditures by Object Or Purpose (County)

NONE

### IV. B3 - Expenditures by Object Or Purpose (City)

NONE

### IV. C - Capital Budget Breakout

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

183,585.00

Form FN (Rev 1/00)

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5727 SB	<b>Title:</b> Common int. comms./consumers	<b>Agency:</b> 100-Office of Attorney General
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	6.5	6.5	6.5	5.1	3.8
<b>Account</b>					
General Fund-State 001-1	985,000	985,000	1,970,000	1,534,000	1,098,000
<b>Total \$</b>	985,000	985,000	1,970,000	1,534,000	1,098,000

### 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: Ryan Giannini	Phone: 3607867285	Date: 02/14/2023
Agency Preparation: Dave Merchant	Phone: 360-753-1620	Date: 02/17/2023
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 02/17/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/17/2023

## 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.*

#### SUMMARY

Section 1 – Amends RCW 7.60.025 to eliminate non-judicial foreclosure actions for actions related to association dues.

Section 2 – Amends RCW 65.06.015 to adjust timelines for delivery of disclosure statements and public offering statements.

Section 3 – Amends RCW 64.06.020 to allow prospective purchasers and owners to request disclosure statements and public offering statements.

Section 4 – Amends RCW 64.06.030 to adjust time for delivery of disclosure statements and public offering statements and to allow prospective buyer to request disclosure statement..

Section 5 – Amends RCW 64.06.040 to adjust time for deliver and require updates to disclosure documents based on new information.

Section 6 – Amends definitions in RCW 64.32.010.

Section 7 – Amends RCW 64.32.170 to modify records retention requirements.

Section 8 – Amends RCW 64.32.200 to eliminate non-judicial foreclosure actions for actions related to association dues.

Section 9 – New section. The Attorney General’s Office (AGO) may issue cease and desist letters if it finds a “pattern” of violations and declares a pattern of violations of RCW 64.32 to be a Consumer Protection Act (CPA) violation.

Section 10 – Amends definitions in RCW 64.34.020.

Section 11 – Amends cross-reference in RCW 64.34.304.

Section 12 – Amends RCW 64.34.364 to eliminate non-judicial foreclosure actions for actions related to association dues.

Section 13 – Amends RCW 64.34.372 to modify records retention requirements.

Section 14 – Amends RCW 64.34.420 to adjust timelines for delivery of disclosure statements and public offering statements.

Section 15 – Amends RCW 64.34.425 to adjust timelines for delivery of disclosure statements and public offering statements.

Section 16 – New Section. AGO may issue cease and desist letters for a “pattern” of violations and declares a pattern of violations of RCW 64.34 to be a CPA violation.

Section 17 – Amends definitions in RCW 64.38.010.

Section 18 – Amends RCW 64.38.045 to modify records retention requirements.

Section 19 – Amends RCW 64.38.100 to eliminate non-judicial foreclosure actions for actions related to association dues.

Section 20 – New Section. AGO may issue cease and desist letters for a “pattern” of violation and declares a pattern of violations of RCW 64.38 to be a CPA violation.

Section 21 – Amends RCW 64.90.485 to eliminate non-judicial foreclosure actions for actions related to association dues.

Section 22 – Amends RCW 64.90.495 to modify records retention requirements.

Section 23 – Amends RCW 64.90.635 to adjust timelines for delivery of disclosure statements and public offering statements.

Section 24 – Amends RCW 64.90.640 to adjust timelines for delivery of disclosure statements and public offering statements.

Section 25 – New Section. AGO may issue cease and desist letters for a “pattern” of violations and declares a pattern of violations of RCW 64.90 to be a CPA violation.

Section 26 – Savings clause.

## **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.*

Attorney General’s Office (AGO) Consumer Protection (CPR) activities are funded with General Fund-State dollars. No cash receipt impact. There is no client agency to bill for legal services.

## **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.*

Attorney General’s Office (AGO) Agency Assumptions:

This bill is assumed effective 90 days after the end of the 2023 legislative session.

Location of staffing is assumed to be in a Seattle office building.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 (MA), is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 FTE for a Legal Assistant 3 (LA) and 0.25 FTE of an MA.

### **1. Assumptions for the AGO Consumer Protection Division’s (CPR) Legal Services:**

CPR assumes the need to create a new unit and procedures for tracking and issuing cease and desist letters. CPR assumes that enforcement to ensure compliance will be a priority for the AGO during the first three years after enactment. CPR assumes that litigation will be necessary to ensure industry compliance. CPR assumes that industry compliance will increase as a result of litigation enforcement efforts. CPR also assumes that the cease and desist letter section will remain without a private right of action under the CPA, so that the AGO is primarily tasked with enforcement. Finally, CPR assumes that

Home Owners Association/Condominium Owners Association (HOA/COA) complaint volume will continue at current levels or increase, necessitating significant intake processing.

CPR assumes enactment of this bill will require; two AAGs to investigate potential violations, draw conclusions from investigations, draft cease and desist letters, monitor compliance, draft Civil Investigative Demand (CIDs)/discovery request, engage in settlement negotiations, file lawsuit if necessary, and to litigate. One Paralegal FTE (PL) to manage documents, draft CID/discovery requests and manage responses, assist with legal pleadings and research. One Investigator FTE (INV) to interview witnesses, review investigative records, other investigative tasks as assigned. One Consumer Resource Center (CRC) Program Staff FTE (PS) for complaint intake, review and processing, answering phone calls, and responding/coordinating constituent correspondence responses. Direct costs will be \$82,000 for the following; expert costs (\$40,000); depositions to aid in enforcement (\$3,000 each estimated three depositions = \$9,000); travel expenses for depositions, witness interviews, other (\$3,000); e-document management costs (\$30,000). All of these positions and direct costs will be required from FY 2024 through FY 2026.

FY 2027 and beyond will require one AAG to investigate potential violations, draw conclusions from investigations, draft cease and desist letters, monitor compliance, draft CIDs/discovery request, engage in settlement negotiations, file lawsuit if necessary, and to litigate. 0.5 PL to manage documents, draft CID/discovery requests and manage responses, assist with legal pleadings and research. 0.5 INV to interview witnesses, review investigative records, other investigative tasks as assigned. One CRC PS for complaint intake, review and processing, answering phone calls, and responding/coordinating constituent correspondence responses. Direct costs will be \$53,000 for the following; expert costs (\$30,000); depositions to aid in enforcement (\$3,000 each estimated two depositions = \$6,000); travel expenses for depositions, witness interviews, other (\$2,000); e-document management costs (\$15,000).

CPR total FTE workload impact for Seattle rate:

FY 2024 to FY 2026 (each FY): \$985,000 for 2.0 AAG, 1.0 LA, 1.0 INV, 1.0 PL, 1.0 PS, which this includes direct litigation costs of \$82,000.

FY 2027: \$549,000 for 1.0 AAG, 0.5 LA, 0.5 INV, 0.5 PL, 1.0 PS, which this includes direct litigation costs of \$53,000, and in each FY thereafter.

2. The AGO Solicitor General’s Office (SGO) 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**

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	985,000	985,000	1,970,000	1,534,000	1,098,000
<b>Total \$</b>			985,000	985,000	1,970,000	1,534,000	1,098,000

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	6.5	6.5	6.5	5.1	3.8
A-Salaries and Wages	589,000	589,000	1,178,000	910,000	642,000
B-Employee Benefits	196,000	196,000	392,000	305,000	218,000
C-Professional Service Contracts	82,000	82,000	164,000	135,000	106,000
E-Goods and Other Services	111,000	111,000	222,000	173,000	124,000
G-Travel	7,000	7,000	14,000	11,000	8,000
<b>Total \$</b>	985,000	985,000	1,970,000	1,534,000	1,098,000



**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
Assistant Attorney General-Seattle	124,635	2.0	2.0	2.0	1.5	1.0
Legal Assistant 3-Seattle	67,044	1.0	1.0	1.0	0.8	0.5
Management Analyst 5	91,524	0.5	0.5	0.5	0.4	0.3
Paralegal 2-Seattle	75,096	1.0	1.0	1.0	0.8	0.5
Program Specialist	53,100	1.0	1.0	1.0	1.0	1.0
Senior Investigator-Seattle	98,532	1.0	1.0	1.0	0.8	0.5
<b>Total FTEs</b>		6.5	6.5	6.5	5.1	3.8

**III. D - Expenditures By Program (optional)**

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Consumer Protection Division (CPR)	985,000	985,000	1,970,000	1,534,000	1,098,000
<b>Total \$</b>	985,000	985,000	1,970,000	1,534,000	1,098,000

**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.*