

Individual State Agency Fiscal Note

Bill Number: 5697 S 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	3.4	2.1	2.7	2.1	2.1
Account					
General Fund-State 001-1	384,201	188,260	572,461	376,520	376,520
Total \$	384,201	188,260	572,461	376,520	376,520

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.

The substitute removed Section 2 (6) which had required landlords to file annual reports.

Section 3: This section allows greater increases in rent for landlords participating the banked capacity program.

The substitute added the following to Section 3:

The landlord must maintain all records for the banked capacity program for three years and make them available to the commission upon request.

(4) directs the commission upon complaint by a tenant or third party, or upon its own motion, to investigate the records, accounts, practices, and activities of the landlord. If the commission finds any violations of this section, any costs incurred by the commission in its review and investigation shall be paid by the landlord.

(5) allows the commission to adopt rules necessary to implement this section.

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.

Section 5: Limits rent increases to the value of the previous year's rent plus the consumer price index for the year in which the agreement was signed.

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 substitute bill provides for cost recovery from landlords in cases that involve violations. There is no discussion of how the costs for investigations of complaints that do not result in a violation would be recovered. There is no mention of cost recovery for the rule making required to implement the consumer rules required by this act. The UTC has no prior experience with this industry and is unsure the number of complaints that would result in expenditure recovery. This would likely be better known following the rulemaking process.

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.

The Substitute removed Section 2 (6)(a) which required each landlord of an MHC to annually file a report with the Commission, negating the need for reporting, tracking, and system development and maintenance.

Section 3 allows 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.

Section 3 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 substitute bill provides for cost recovery of investigation and complaint costs where a violation is found. It does not provide for cost recover of investigations or complaints where no violation is found. It is not known how many complaints would result in a violation.

There is no provision for the cost recovery of rulemaking costs.

The UTC does not have the financial resources to complete this work without both the indicated expenditure authority and corresponding revenue. Only providing for the expenditure authority does not increase the regulatory fee assessed to the companies regulated by the UTC. We request that if this bill is passed the funding be provided by General Fund-State resources until such time as regulatory fees are legislatively increased to support the agency’s full expenditure authority and maintain adequate fund balance in the Public Service Revolving Account.

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	384,201	188,260	572,461	376,520	376,520
Total \$			384,201	188,260	572,461	376,520	376,520

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.4	2.1	2.7	2.1	2.1
A-Salaries and Wages	253,211	128,069	381,280	256,138	256,138
B-Employee Benefits	88,622	44,823	133,445	89,646	89,646
C-Professional Service Contracts					
E-Goods and Other Services	42,368	15,368	57,736	30,736	30,736
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 \$	384,201	188,260	572,461	376,520	376,520

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	0.0	0.0	0.0	0.0	0.0
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 Protection Manager	82,176	0.0	0.0	0.0	0.0	0.0
Deputy Director Regulatory Services	117,996	0.1		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
Paralegal 3	78,900	0.1		0.0		
Policy Advisor	100,008	0.1		0.1		
Regulatory Analyst 2	82,896	0.1		0.0		
Regulatory Analyst 3	93,840	0.3		0.2		
Total FTEs		3.4	2.1	2.8	2.1	2.1

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 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.