

Multiple Agency Fiscal Note Summary

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| Bill Number: 5885 SB | Title: Certificates of annexation |
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Estimated Cash Receipts

NONE

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 Financial Management | .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 | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | |
| Local Gov. Total | | | | | | | | | |

Estimated Capital Budget Expenditures

| Agency Name | 2023-25 | | | 2025-27 | | | 2027-29 | | |
|--------------------------------|------------|----------|----------|------------|----------|----------|------------|----------|----------|
| | FTEs | Bonds | Total | FTEs | Bonds | Total | FTEs | Bonds | Total |
| Office of Financial Management | .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 | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | |
| Local Gov. Total | | | | | | | | | |

Estimated Capital Budget Breakout

NONE

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| Prepared by: Val Terre, OFM | Phone: (360) 280-3973 | Date Published: Final 1/16/2024 |
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Individual State Agency Fiscal Note

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| Bill Number: 5885 SB | Title: Certificates of annexation | Agency: 105-Office of Financial Management |
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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.

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| Legislative Contact: Maggie Douglas | Phone: 3607867279 | Date: 01/10/2024 |
| Agency Preparation: Kathy Cody | Phone: (360) 480-7237 | Date: 01/12/2024 |
| Agency Approval: Jamie Langford | Phone: 360-902-0422 | Date: 01/12/2024 |
| OFM Review: Val Terre | Phone: (360) 280-3973 | Date: 01/16/2024 |

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.

The bill removes a requirement to submit an annexation certificate in triplicate whenever any territory is annexed to a city, town, or code city. The requirement for OFM to distribute two of the three parts of the approved certificate to the Department of Transportation (DOT) and the jurisdiction taking the action is removed; OFM must instead send a notification that the approved certificate has been posted to the OFM website.

The change has little to no impact on the current process. These documents are already posted to OFM’s website, and it is current practice to notify the jurisdiction taking the action that the documents have been posted. OFM can also include DOT on the jurisdiction notification with minimal effort. OFM would no longer mail physical copies of the approved certificate to DOT and the jurisdiction taking the action, saving OFM the time and expense associated with the physical document mailing. There is no fiscal impact to OFM.

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.

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

Part V: New Rule Making Required

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

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

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| Bill Number: 5885 SB | Title: Certificates of annexation |
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☒ Cities: Indeterminate minor reduction in annexation submittal costs
- ☐ Counties:
- ☐ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☒ Key variables cannot be estimated with certainty at this time: Current cost of annexation submittals, average length of submittals

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

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| Fiscal Note Analyst: Allan Johnson | Phone: 360-725-5033 | Date: 01/15/2024 |
| Leg. Committee Contact: Maggie Douglas | Phone: 3607867279 | Date: 01/10/2024 |
| Agency Approval: Alice Zillah | Phone: 360-725-5035 | Date: 01/15/2024 |
| OFM Review: Val Terre | Phone: (360) 280-3973 | Date: 01/16/2024 |

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

Whenever any territory is annexed to a city, town, or code city, the jurisdiction must submit a certificate containing information as prescribed by the Office of Financial Management (OFM) within 30 days of the effective date of the action.

After OFM has received and approved the certificate, OFM must retain a copy and post copy to the agency's public website. OFM must notify Washington State Department of Transportation and the city, town, or code city the certificate has been approved and posted and include a link to the website.

OFM must include a copy of the complete ordinance containing a legal description and a map showing specifically the boundaries of the annexed territory with the certificate.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This legislation would have a minor (less than \$50,000) indeterminate reduction in expenditure impacts on cities and towns. This shrinkage is due to the reduction in the number of election notification documents that cities or towns would be required to submit to the Office of Financial Management providing notification of an annexation. Based upon data from the Office of Financial Management, there were an average of 57 annexations per year between 2020 and 2022 (full year data is not available for 2023). The average cost of annexation submittals and the average number of pages in an annexation submittal are not known, therefore the reduction in submittal costs cannot be estimated and is indeterminate.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

This legislation would not result in revenue impacts to local governments.

SOURCES:

Association of Boundary Review Boards

Office of Financial Management