

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 2451 HB	<b>Title:</b> Impact fees
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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						
Loc School dist-SPI						
Local Gov. Other	Fiscal note not available					
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
Joint Legislative Audit and Review Committee	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Commerce	.5	145,139	145,139	145,139	.5	139,072	139,072	139,072	.5	139,072	139,072	139,072
Department of Revenue	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>0.5</b>	<b>145,139</b>	<b>145,139</b>	<b>145,139</b>	<b>0.5</b>	<b>139,072</b>	<b>139,072</b>	<b>139,072</b>	<b>0.5</b>	<b>139,072</b>	<b>139,072</b>	<b>139,072</b>

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	Fiscal note not available								
Local Gov. Total									

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Joint Legislative Audit and Review Committee	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.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									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

## Estimated Capital Budget Breakout

This preliminary package is incomplete. Other impacted agencies' fiscal notes will be distributed as soon as possible.

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**Phone:**

(360) 280-7584

**Date Published:**

Preliminary 1/30/2024

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2451 HB	<b>Title:</b> Impact fees	<b>Agency:</b> 014-Joint Legislative Audit and Review Committee
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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.

Legislative Contact: Kellen Wright	Phone: 360-786-7134	Date: 01/23/2024
Agency Preparation: Melanie Stidham	Phone: 360-786-5190	Date: 01/24/2024
Agency Approval: Eric Thomas	Phone: 360 786-5182	Date: 01/24/2024
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 01/25/2024

## 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 adds an annual reporting requirement for counties, cities, and towns that impose impact fees. Department of Commerce is required to compile the responses and submit a report to the Legislature each December.

The bill does not affect JLARC. However, there is a reference to JLARC in one of the sections the bill amends. This reference required counties, cities, and towns to provide data to JLARC for our 2021 review of impact fee deferrals. JLARC is not currently collecting data and has no plans to do so.

### 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.*

JLARC is not collecting data from counties, cities, and towns on impact fee deferrals. The bill does not add a study assignment and there is no fiscal impact.

## 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.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2451 HB	<b>Title:</b> Impact fees	<b>Agency:</b> 103-Department of Commerce
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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	0.0	1.0	0.5	0.5	0.5
<b>Account</b>					
General Fund-State      001-1	0	145,139	145,139	139,072	139,072
<b>Total \$</b>	0	145,139	145,139	139,072	139,072

### 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: Kellen Wright	Phone: 360-786-7134	Date: 01/23/2024
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 01/25/2024
Agency Approval: Pouth Ing	Phone: 360-725-2715	Date: 01/25/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/25/2024

## 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.*

Section 1 amends RCW 82.02.050, setting limits on increases to impact fees to the same change as the consumer price index, since the last time the fee schedule was amended.

Section 2 amends RCW 82.02.070, requiring local governments, by July 1 of each year, to report to the Department of Commerce (department) on impact fees collected over the prior calendar year. The department must produce an annual report by December 1 of each year, compiling the information received from jurisdictions imposing impact fees.

Sections 3 amends RCW 43.31.980, requiring the department to compile additional details into its annual report, by December 1, of each year, including information it has received under Section 2 of this bill.

Section 4 amends RCW 36.70A.070, the Growth Management Act (GMA) specifically requiring the Capital Facilities Element to detail where impact fees will be spent, pursuant to RCW 82.02.050.

### 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.*

#### Assumptions - Local Government Division:

- The department will require staff to create a reporting template and a new intake process to receive impact fee reports, to track non-compliance with the local performance reporting requirement, and conduct nonresponse follow up for jurisdictions that have not submitted a timely report.
- The department will also require staff to publish a report that compiles the annual impact fee data from each reporting jurisdiction and includes key metrics and findings from the information collected.
- The department surveyed 182 local jurisdictions for completion of the impact fee deferral report in 2023. The number of annually submitted reports to the department, by July 1, is indeterminate, but for purposes of this fiscal note the department assumes the numbers of submittals and reports to manage and compile annually maybe higher, given the additive reporting requirement is mandatory for local governments.

0.3 FTE Commerce Specialist 3 (626 hours) in FY25, and 0.2 FTE (418 hours) in FY26-29, each fiscal year, for managing the submitted report, providing subject matter expertise on the impact fee reporting process, and technical assistance for the reporting, submittal and management of the annual department reports to the legislature,

0.2 FTE Management Analyst 4 (418 hours) in FY25, and 0.1 FTE (209 hours) in FY26-FY29, each fiscal year, to provide coordination and support for rule or guidance updates, outreach and administrative support.

#### Salaries and Benefits:

FY25: \$58,799

FY26-FY29: \$35,177 per fiscal year

Goods and Services:

FY25: \$4,796

FY26-FY29: \$2,877 per fiscal year

Travel Costs:

Includes outreach to communities across the state to provide technical assistance for the new reporting guidance. Annual travel will consist of 10 days of outreach and engagement, with half of them requiring lodging due to outreach and engagement to Eastern Washington, which includes additional travel in support of community consultation during the rulemaking.

FY25: \$2,475

Intra-agency Reimbursements:

FY25: \$19,345

FY26-FY29: \$11,573 per fiscal year

Note: Standard goods and services costs include supplies and materials, employee development and training, Attorney General costs, central services charges and agency administration. Intra-agency-administration costs (e.g. payroll, HR, IT) are funded under a federally approved cost allocation plan.

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Total Local Government Division costs:

FY25: \$85,415

FY26-FY29: \$49,627 per fiscal year

Assumptions - Information Services:

- The department assumes minor additional upgrades to its planning review database for tracking new mandatory reports submitted annually to the department, and assisting with ongoing tracking database maintenance.

0.3 FTE IT Application Developer Journey – ITAD-2 - (626 hours) in FY25 and 0.1 FTE IT Application Developer (208 hours) in FY26-FY29, for system development, design, deployment, maintenance and for upgrades to the system and database.

Salaries and Benefits:

FY25: \$42,762

FY26-FY29: \$14,254 per fiscal year

Goods and Services:

FY25: \$2,893

FY26-FY29: \$965 per fiscal year

Intra-agency Reimbursements:



FY25: \$14,069

FY26-FY29: \$4,690 per fiscal year

Note: Standard goods and services costs include supplies and materials, employee development and training, Attorney General costs, central services charges and agency administration. Intra-agency-agency administration costs (e.g. payroll, HR, IT) are funded under a federally approved cost allocation plan.

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Total Information Services costs:

FY25: \$59,724

FY26-FY29: \$19,909 per fiscal year  
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Total Costs:

FY25: \$145,139

FY26-FY29: \$69,536 per fiscal year

### 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	0	145,139	145,139	139,072	139,072
<b>Total \$</b>			0	145,139	145,139	139,072	139,072

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		1.0	0.5	0.5	0.5
A-Salaries and Wages		75,259	75,259	72,996	72,996
B-Employee Benefits		26,302	26,302	25,866	25,866
C-Professional Service Contracts					
E-Goods and Other Services		7,689	7,689	7,684	7,684
G-Travel		2,475	2,475		
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		33,414	33,414	32,526	32,526
9-					
<b>Total \$</b>	0	145,139	145,139	139,072	139,072

#### 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 Services - Indirect	111,168		0.2	0.1	0.1	0.1
Commerce Specialist 3	84,518		0.3	0.2	0.2	0.2
IT APP Development - Journey	107,149		0.3	0.2	0.1	0.1
Management Analyst 4	88,794		0.2	0.1	0.1	0.1
<b>Total FTEs</b>			1.0	0.5	0.5	0.5

**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.*

# Department of Revenue Fiscal Note

<b>Bill Number:</b> 2451 HB	<b>Title:</b> Impact fees	<b>Agency:</b> 140-Department of Revenue
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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 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.*

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- 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: Kellen Wright	Phone: 60-786-7134	Date: 01/23/2024
Agency Preparation: Victor Crosetti	Phone: 60-534-1554	Date: 01/26/2024
Agency Approval: Valerie Torres	Phone: 60-534-1521	Date: 01/26/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/29/2024

Request # 2451-1-1

## 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.*

#### CURRENT LAW:

Local governments can impose local impact fees. Impact fees must not exceed a proportionate share of the costs of system improvements reasonably related to the new development.

#### PROPOSAL:

This legislation limits local governments from any update or amendment to the impact fee schedules by not allowing an increase of more than 1% greater than the consumer price index.

Local governments are also required to report to the Department of Commerce (Commerce) by July 1 of each year and commerce must compile all the impact fee information in a report by December 1 of each year.

#### EFFECTIVE DATE:

The bill takes effect 90 days after final adjournment of the session.

### 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.*

This legislation results in no revenue impact on taxes administered by the Department of Revenue (department).

### 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 department will not incur any costs with the implementation of this legislation.

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

NONE

**III. B - Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

### III. C - 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

**Part V: New Rule Making Required**