

Multiple Agency Fiscal Note Summary

Bill Number: 2172 HB	Title: Vacant state agency property
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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	0	0	214,000	0	0	428,000	0	0	428,000
Office of Attorney General	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Office of Financial Management	0	0	356,500	0	0	368,000	0	0	368,000
Department of Natural Resources	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	570,500	0	0	796,000	0	0	796,000

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	No fiscal impact					
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
Office of the Governor	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Office of Attorney General	.8	0	0	214,000	1.5	0	0	428,000	1.5	0	0	428,000
Office of Attorney General	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Office of Financial Management	.5	0	0	356,500	1.0	0	0	368,000	1.0	0	0	368,000
Department of Enterprise Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Natural Resources	.0	214,000	214,000	214,000	.0	428,000	428,000	428,000	.0	428,000	428,000	428,000
Department of Natural Resources	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
SWF Statewide Fiscal Note - OFM	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Total \$	1.3	214,000	214,000	784,500	2.5	428,000	428,000	1,224,000	2.5	428,000	428,000	1,224,000

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	No fiscal impact								
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 the Governor	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
Department of Enterprise Services	.0	0	0	.0	0	0	.0	0	0
Department of Natural Resources	.0	0	0	.0	0	0	.0	0	0
SWF Statewide Fiscal Note - OFM	.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	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Val Terre, OFM	Phone: (360) 280-3973	Date Published: Final 2/ 1/2024
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Individual State Agency Fiscal Note

Bill Number: 2172 HB	Title: Vacant state agency property	Agency: 075-Office of the Governor
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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: Austin Borcharding	Phone: 360-786-7094	Date: 01/18/2024
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 01/24/2024
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 01/24/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/24/2024

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.

HB 2172 provides the use of vacant state agency property by a local government during an emergency.

Section 1(1) states that this bill applies to agencies that own land. The Office of the Governor does not own land and therefore this section does not have a fiscal impact.

Section 1(6b) states that whenever a dispute arises between a state agency and a local government the governor may be requested to assist in the resolution of the dispute. The governor shall employ whatever dispute resolution methods that the governor deems appropriate in resolving the dispute. Such methods may include, but are not limited to, the appointment by the governor of a mediator, acceptable to the agency and local government, to assist in the resolution of the dispute. The governor may also request assistance from the attorney general to advise the mediator and the agency and local government.

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.

Depending on the scope of the dispute, the Office of the Governor would contract with a retired judge or seasoned attorney for dispute resolution. Many will require a reservation of a minimum block of time at a rate that could range from \$2,000 to over \$3,000 per day or could have hourly rates from \$375 to over \$700/hour.

The Governor's Office is unable to predict the number or scope of cases that will need dispute resolution; therefore, this bill has an indeterminate fiscal impact.

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

Bill Number: 2172 HB	Title: Vacant state agency property	Agency: 100-Office of Attorney General
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Legal Services Revolving Account-State 405-1		214,000	214,000	428,000	428,000
Total \$		214,000	214,000	428,000	428,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	1.5	0.8	1.5	1.5
Account					
Legal Services Revolving Account-State 405-1	0	214,000	214,000	428,000	428,000
Total \$	0	214,000	214,000	428,000	428,000

In addition to the estimates above, there are additional indeterminate costs 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: Austin Borcharding	Phone: 360-786-7094	Date: 01/18/2024
Agency Preparation: Amy Flanigan	Phone: 509-456-3123	Date: 01/24/2024
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 01/24/2024
OFM Review: Val Terre	Phone: (360) 280-3973	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 - New section. Adds to chapter 43.17 RCW. Requires state agency within city that owns vacant land to lease that land to a city or county upon request if that request is due to an emergency related to homelessness. Sets out rental rates and permitted uses of the property.

Section 2 - New section added to chapter 35.21 RCW. Provides legislative authority for cities with populations over 150,000 that declare emergencies pursuant to chapter 38.52 RCW related to homeless to lease vacant land as set forth in Section 1.

Section 3 - New section added to chapter 35A.38 RCW. Provides legislative authority for code cities with populations over 150,000 that declare emergencies pursuant to chapter 38.52 RCW related to homeless to lease vacant land as set forth in Section 1.

This bill is assumed effective 90 days after the end of the 2024 legislative 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.

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is the Department of Natural Resources (DNR). The Attorney General's Office (AGO) will bill all clients for legal services rendered.

These cash receipts represent the AGO's authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agency's fiscal note. Appropriation authority is necessary in the AGO budget.

AGO Torts Division (Torts) defense costs are billed through the LSRA to the Department of Enterprise Services (DES) Risk Management Division through an Interagency Agreement (IAA). The Torts client agency is assumed to be DES. These costs are over and above the current 2023-25 IAA amount. Per this fiscal note Torts is currently indeterminate.

AGO AGENCY ASSUMPTIONS:

DNR will be billed for non-King County rates:

FY 2025 and in each FY thereafter: \$214,000 for 0.8 Assistant Attorney General FTE (AAG) and 0.4 Paralegal 1 FTE (PL1)

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 2024 legislative session.

Location of staffing is assumed to be in a non-King County 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 FTE (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 Paralegal 1 FTE (PL1) and 0.4 MA.

1. Assumptions for the AGO Public Lands Conservation Division’s (PLC) Legal Services for the Department of Natural Resources (DNR):

The AGO will bill DNR for legal services based on the enactment of this bill.

PLC assumes this bill will be perceived by some entities to conflict with the duties to manage certain classes of lands in trust for the benefit of particular institutions of government, with a duty of undivided loyalty, and the duty to act prudently on behalf of the beneficiaries. See Section 1(2); County of Skamania v. State, 102 Wn.2d 127 (1984). This bill will create demands on DNR for public lands by “qualifying cities.” [Section 1(7)(a)]. PLC will advise DNR on the provisions of particular leases, on an ongoing basis [Section 1(6)(a)]. PLC assumes that disputes may arise with leasing entities regarding conditions of the lease, or the conditions of the leased property during the lease terms, or following the lease terms [Section 1(6)(b)]. PLC assumes that one or more cases are litigated over either the leases and compliance with them, the returned condition of property provision [Section 1(5)], or the use of trust properties for this purpose. PLC assumes the litigation will result in appellate work in addition to trial court work.

PLC: Total non-King County workload impact:

FY 2025 and in each FY thereafter: \$214,000 for 0.8 AAG and 0.4 PL1

2. Assumptions for the AGO Torts Division (Torts) Legal Services for the Department of Enterprise Services (DES):

The AGO will bill DES for legal services based on the enactment of this bill.

There is no way to reasonably predict what fiscal impact this will have on Torts. Under this bill, the scope of new potential plaintiffs who may sue Washington State as a landlord-lessor is numerous to include the cities to whom the land is leased, the individuals who work, live, or are treated while on that land and nearby adjoining landowners. The variety of potential new tort claims that could be brought is also numerous, those under premises liability, warranty of habitability, civil rights theories, and the Washington Law Against Discrimination (WLAD). The number of factual scenarios is simply infinite.

Merely leasing the property will not necessarily absolve Washington State as the owner from premises liability. See Adamson v. Port of Bellingham, 193 Wn.2d 178, 189, 438 P.3d 522 (2019) (“a landowner-lessor is liable for injuries that occur due to a defect on leased property that was in exclusive possession of the lessee where the lease provisions provide that the lessee has only priority use, not exclusive use, of the premises, and that the landowner has contracted to maintain and repair the premises.”). The extent of premises liability will depend on the terms of the contract.

Torts: Indeterminate

3. The AGO Social & Health Services Division (SHO) has reviewed this bill and determined it will not significantly increase or decrease the division’s workload in representing the Department of Social and Health Services (DSHS). DSHS does not currently have vacant property in a qualifying city as defined by statute. DSHS vacant property sites are currently located in local jurisdictions with less than 150,000 in population. DSHS does not currently have vacant properties in the qualifying Washington State cities of Seattle, Spokane, Tacoma, or Vancouver. New legal services are nominal and costs are not included in this request.

4. The AGO Utilities and Transportation Commission Division (AGO-UTC) has reviewed this bill and determined it will not significantly increase or decrease the division’s workload in representing the DES. New legal services are nominal and costs are not included in this request.

5. The AGO Facilities Division (FST) has reviewed this bill and determined it will not increase or decrease the division’s workload. Therefore, no costs are included in this request.

6. The AGO Corrections Division (COR) has reviewed this bill and determined it will not increase or decrease the division’s workload in representing Department of Corrections (COR). Therefore, no costs are 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
405-1	Legal Services	State	0	214,000	214,000	428,000	428,000
	Revolving Account						
Total \$			0	214,000	214,000	428,000	428,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		1.5	0.8	1.5	1.5
A-Salaries and Wages		146,000	146,000	292,000	292,000
B-Employee Benefits		44,000	44,000	88,000	88,000
E-Goods and Other Services		23,000	23,000	46,000	46,000
G-Travel		1,000	1,000	2,000	2,000
Total \$	0	214,000	214,000	428,000	428,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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	129,100		0.8	0.4	0.8	0.8
Management Analyst 5	95,184		0.3	0.2	0.3	0.3
Paralegal 1	69,072		0.4	0.2	0.4	0.4
Total FTEs			1.5	0.8	1.5	1.5

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Public Lands & Conservation Division (PLC)		214,000	214,000	428,000	428,000
Total \$		214,000	214,000	428,000	428,000

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.

Individual State Agency Fiscal Note

Bill Number: 2172 HB	Title: Vacant state agency property	Agency: 105-Office of Financial Management
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
OFM Central Service Account-State 468-1		169,000	169,000	328,000	328,000
Statewide Information Tech System Maintenance & Operations Revolving Account-Non-Appropriated 472-6		187,500	187,500	40,000	40,000
Total \$		356,500	356,500	368,000	368,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	1.0	0.5	1.0	1.0
Account					
OFM Central Service Account-State 468-1	0	169,000	169,000	328,000	328,000
Statewide Information Tech System Maintenance & Operations Revolving Account-Non-Appropriated 472-6	0	187,500	187,500	40,000	40,000
Total \$	0	356,500	356,500	368,000	368,000

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: Austin Borcharding	Phone: 360-786-7094	Date: 01/18/2024
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 01/26/2024
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 01/26/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/26/2024

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 creates a requirement for state agencies to lease vacant land or facilities to cities for use by the city during a declared emergency related to homelessness. The state agency may not charge more than \$1 per month for the duration of the lease for the use of the land or facilities constituting the vacant property, but the lease may include provisions for the city to pay any reasonable operation, maintenance, or other expenses incurred by the agency for the land or facilities during the lease.

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.

OFM distributes costs incurred in fund 468 OFM Central Service Account through the central service model. Any assumed increase in the account would be matched by an increase in the OFM Central Services fee.

OFM distributes statewide costs incurred in fund 472 Statewide Information Tech System M&O Revolving account through the central service model. Assumed state-wide costs incurred in the account would be matched by an increase in the OFM Enterprise Application Fee.

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.

OFM currently tracks the inventory of all state-owned buildings using the Facilities Portfolio Management Tool (FPMT). OFM assumes that the Facilities Portfolio Management Tool will be used to show available developed and undeveloped properties along with available buildings per the requirements in Section 1. This will necessitate the implementation of the land tracking module in the Facilities Portfolio Management tool.

OFM cannot absorb this work and will need a contract to add the land tracking module to FPMT. OFM assumes using a DES tier-two master contract to provide the following contracted serves for requirements gathering, project management, vendor coordination, and documentation at:

- o 500 hours of backfill of a Business Analyst at a contract rate of \$165.00 per hour (500*\$165.00=\$82,500.00), one-time
- o 500 hours of backfill of a Project Manager at a contract rate of \$170.00 per hour (500*\$170.00=\$85,000.00), one-time
- o \$20,000 per year software and maintenance cost for the Land Module/Wizard for FPMT, ongoing.

Additionally, the added workload to manage the collection and data governance of land statewide would require adding one (1) Facilities Analyst to the Facilities Oversight Planning Division.

1 FTE – Facilities Analyst (ongoing) - to manage the collection and data governance of land statewide.

Cost assumptions per FTE:

- o Goods and services: supplies, communications services, lease space, training, software licensing at \$3,000 per FTE annually, ongoing.
- o Travel: travel associated with the positions at \$4,000 per FTE annually, ongoing.
- o Capital Outlays: a workstation, furniture, and computer at \$5,000 per FTE, one-time.
- o Shared Service Costs: administrative support, IT support, budget and accounting services, facilities support, and human resource assistance at \$30,000 per FTE annually, ongoing.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
468-1	OFM Central Service Account	State	0	169,000	169,000	328,000	328,000
472-6	Statewide Information Tech System Maintenance & Operations Revolving Account	Non-Appropriated	0	187,500	187,500	40,000	40,000
Total \$			0	356,500	356,500	368,000	368,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		1.0	0.5	1.0	1.0
A-Salaries and Wages		95,000	95,000	190,000	190,000
B-Employee Benefits		32,000	32,000	64,000	64,000
C-Professional Service Contracts		167,500	167,500		
E-Goods and Other Services		23,000	23,000	46,000	46,000
G-Travel		4,000	4,000	8,000	8,000
J-Capital Outlays		5,000	5,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		30,000	30,000	60,000	60,000
9-					
Total \$	0	356,500	356,500	368,000	368,000

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
Facilities Analyst	95,000		1.0	0.5	1.0	1.0
Total FTEs			1.0	0.5	1.0	1.0

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

Bill Number: 2172 HB	Title: Vacant state agency property	Agency: 179-Department of Enterprise Services
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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: Austin Borcharding	Phone: 360-786-7094	Date: 01/18/2024
Agency Preparation: Michael Diaz	Phone: (360) 407-8131	Date: 01/24/2024
Agency Approval: Jessica Goodwin	Phone: (360) 819-3719	Date: 01/24/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/24/2024

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 adds a new section to chapter 43.17 RCW related to providing for use of vacant state property by local government during an emergency.

Section 1(1) is a new section that states that a state agency that owns vacant property within a qualifying city must lease the property (developed or undeveloped) to the city for use by the city during a declared emergency related to homelessness within the city.

Subsection 1(2) states that a state agency may not charge more than \$1 per month for lease of the property, but may include provisions for the city to pay reasonable operation, maintenance, or other expenses.

Subsection 1(3) states the city may only utilize the property for use as an emergency shelter, emergency medical facility, or other use directly related to the declared emergency.

Subsection 1(4) limits the terms of the agreement to specific timeframes around the emergency.

Subsection 1(5) states the city must return the leased property in substantially the same condition as when the city took possession of the property.

Subsection 1(7) defines terms in this bill, including that a "qualifying city" is one that has a population of 150,000 or more and "vacant property" is a property that has not been used for any purpose for a period of six months or more.

Based on the 2020 Census, the Department of Enterprise Services (DES) assumes that there are currently 5 cities in Washington whose population is 150,000 or greater: Bellevue, Seattle, Spokane, Tacoma and Vancouver. Of these cities, DES currently owns property in Seattle, however this property is not vacant, and there are no plans for the current tenant to move out of the facility.

Should a state agency need assistance develop an agreement with a city, DES can assist at an hourly rate of \$189.

There is no fiscal impact to the Department of Enterprise Services.

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.

Individual State Agency Fiscal Note

Bill Number: 2172 HB	Title: Vacant state agency property	Agency: 490-Department of Natural Resources
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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
Account					
General Fund-State 001-1	0	214,000	214,000	428,000	428,000
Total \$	0	214,000	214,000	428,000	428,000

In addition to the estimates above, there are additional indeterminate costs 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: Austin Borcharding	Phone: 360-786-7094	Date: 01/18/2024
Agency Preparation: Zoe Catron	Phone: 360-902-1121	Date: 01/31/2024
Agency Approval: Angela Konen	Phone: 360-902-2165	Date: 01/31/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/01/2024

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: requires state agencies that own vacant property within a qualifying city to lease the property for \$1 per month plus reasonable expenses for the duration of the lease to combat emergencies related to homelessness. Use of the land may only be used for purposes directly related to the declared emergency, such as shelters and medical centers.

- Qualifying city means cities over 150,000 people.
- Vacant property means properties that have not been used/leased for six months or more.

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.

Actual cash receipts are indeterminate but it is a loss of revenue for DNR and its trust beneficiaries. Variables include the value of the property leased, the terms of the lease, and the number of leases.

A couple examples of the potential difference in revenue is the 2nd and Lenora property in Seattle that earns \$432,000 per year and the Boulevard Center property in Tacoma that earned \$1,830,000 per year. If a qualifying city were able to lease the land for \$1 per month the revenue earned would be \$12 per year. For these examples, this would be a reduction in revenue between \$133,900 and \$567,300 to the Resource Management Cost Account (041) and between \$298,100 and \$1,262,700 to the Common School Construction Account (113).

There is a potential that this could also affect other accounts such as DNR's Forest Development Account (014) and the accounts associated with each trust beneficiary.

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.

Actual fiscal impact is indeterminate because there are too many unknowns. Specifically, how many leases would be needed each year, the terms of each lease, whether Attorney General support is required, length of lease, and reasonable operational expenses from DNR.

DNR has determined that the work to conduct the leases would be accomplished by a Natural Resource Specialist 4. The cost to establish a single new lease is estimated at one staff month (\$9,100) and maintaining existing leases is estimated at two leases per staff month (\$4,500 per lease) after the first year of establishment. Attorney General Office (AGO) support is \$19,900 per staff month, assuming one week to establish a new lease.

Support is estimated at \$14,100 (one-time) to establish plus \$4,500 (ongoing per year) to maintain each lease. Other reasonable operational costs are unknown at this time.

The AGO will bill DNR for legal services based on the enactment of this bill; AGO Public Lands Conservation (PLC) Division assumes litigation will result in appellate work in addition to trial court work.:

AGO PLC Division's Legal Services Total workload impact: FY 2025 and in each FY thereafter: \$214,000 for 0.8 AAG and 0.4 PL1

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	214,000	214,000	428,000	428,000
Total \$			0	214,000	214,000	428,000	428,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services		214,000	214,000	428,000	428,000
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 \$	0	214,000	214,000	428,000	428,000

In addition to the estimates above, there are additional indeterminate costs 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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 2172 HB

Title: Vacant state agency property

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities:
- Counties:
- Special Districts:
- Specific jurisdictions only: Cities or code cities with a population of 150,000 or more that have declared an emergency related to homelessness.
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option: Specific cities would be authorized to lease vacant property in the city from state agencies.
- Key variables cannot be estimated with certainty at this time: Which cities will choose to lease vacant state agency property.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Kate Fernald	Phone: 564-200-3519	Date: 01/26/2024
Leg. Committee Contact: Austin Borcharding	Phone: 360-786-7094	Date: 01/18/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/26/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/26/2024

Part IV: Analysis

A. SUMMARY OF BILL

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

Sec. 1 would add a new section.

(1) The legislative authority of a city or a code city with a population of 150,000 or more would be authorized to lease vacant property in the city from state agencies when the city has declared an emergency related to homelessness.

(3) The leased properties could only be used for:

- emergency shelters;
- emergency medical facilities; or
- other uses directly related to the declared emergency.

(5) The city would be required to return the leased property to the state agency in substantially the same condition it was received in, and they may request assistance from the Attorney General in drafting the lease.

(6) Should a dispute arise, agencies and local governments would be admonished to make every effort to resolve the dispute without resorting to litigation. Should this fail, either party may request the Governor's assistance in reaching a resolution. The Governor may employ methods they deem appropriate in resolving the dispute, which may include the appointment of a mediator acceptable to both parties.

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 bill would not impact local government expenditures because the legislation provides cities with a local option.

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.

The legislation would not impact local government revenues.

SOURCES:

Association of Washington Cities

Individual State Agency Fiscal Note

Bill Number: 2172 HB	Title: Vacant state agency property	Agency: SWF-SWF Statewide Fiscal Note - OFM
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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: Austin Borcharding	Phone: 360-786-7094	Date: 01/18/2024
Agency Preparation: Kathy Cody	Phone: 360-480-7237	Date: 01/29/2024
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 01/29/2024
OFM Review: Yvonne Knutson	Phone: (360) 790-2723	Date: 01/29/2024

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 adds a new section to chapter 43.17 RCW related to providing for use of vacant state property by local government during an emergency.

Section 1(1) is a new section that states that a state agency that owns vacant property within a qualifying city must lease the property (developed or undeveloped) to the city for use by the city during a declared emergency related to homelessness within the city.

Subsection 1(2) states that a state agency may not charge more than \$1 per month for lease of the property but may include provisions for the city to pay reasonable operation, maintenance, or other expenses.

Subsection 1(3) states the city may only utilize the property for use as an emergency shelter, emergency medical facility, or other use directly related to the declared emergency.

Subsection 1(4) limits the terms of the agreement to specific timeframes around the emergency.

Subsection 1(5) states the city must return the leased property in substantially the same condition as when the city took possession of the property.

Subsection 1(7) defines terms in this bill, including that a "qualifying city" is one that has a population of 150,000 or more and "vacant property" is a property that has not been used for any purpose for a period of six months or more.

Quantifying the fiscal impact cannot be completed as there is inadequate data collection standards to determine the amount of vacant inventory and period of vacancy for land and buildings.

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.

OFM assumes this bill will impact five cities with the population of 150,000 or greater:

- Vancouver
- Tacoma
- Spokane
- Seattle
- Bellevue

OFM assumes that agencies would endure additional expenses to keep a building in a warm close status* to support the possibility of an emergency request. The average operating cost to maintain a building in a warm close status* is approximately \$5 a square foot for energy, water, sewer, and minimal maintenance expenses.

OFM's inventory data shows that 15 of 1,114 state owned buildings are reported vacant, representing 7,925 square feet of 41,115,473 square feet of owned buildings. Quantifying the fiscal impact cannot be completed as the state has inadequate

data collection standards for identifying the vacancy period, and OFM does not inventory land.

*warm close status is a building that is kept at a minimally warm temperature but closed for usage.

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.