

Multiple Agency Fiscal Note Summary

Bill Number: 6158 S SB	Title: Public facilities districts
-------------------------------	---

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
Department of Revenue	.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			273,000			546,000			546,000
Local Gov. Total			273,000			546,000			546,000

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
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Prepared by: Amy Hatfield, OFM	Phone: (360) 280-7584	Date Published: Final 2/ 5/2024
---------------------------------------	---------------------------------	---

Individual State Agency Fiscal Note

Bill Number: 6158 S SB	Title: Public facilities districts	Agency: 105-Office of Financial Management
-------------------------------	---	---

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: Karen Epps	Phone: 360-786-7424	Date: 01/31/2024
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 02/05/2024
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 02/05/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 02/05/2024

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 4 (2) directs OFM to update thresholds for compensation for per day meeting and conference attendance on behalf of public facilities districts. The thresholds must be adjusted for inflation based on the consumer price index every five years, beginning January 1, 2029. OFM can complete these adjustments within current practices and resources. 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.

Department of Revenue Fiscal Note

Bill Number: 6158 S SB	Title: Public facilities districts	Agency: 140-Department of Revenue
-------------------------------	---	--

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.

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: Karen Epps	Phone: (360) 786-7424	Date: 01/31/2024
Agency Preparation: Taylor Culp	Phone: (360) 534-1511	Date: 02/02/2024
Agency Approval: Valerie Torres	Phone: (360) 534-1521	Date: 02/02/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/02/2024

Request # 6158-2-1

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.

Note: This fiscal note reflects language in SSB 6158, 2024 Legislative Session.

COMPARISON OF SUBSTITUTE BILL WITH ORIGINAL BILL:

The substitute requires a city receiving quarterly payments from a public facility district (PFD) from lodging taxes collected from short-term rental operators within the city to use the funds for community initiated equitable development. It also requires adjustment of PFD board members compensation for inflation.

CURRENT LAW:

PFD's levy sales and use taxes for regional centers within districts created by certain dates. The construction, improvement, rehabilitation, or expansion of eligible projects must have commenced before certain dates. Once imposed, the tax may remain in place until bonds financing the construction of the facility are retired, but the tax may not be levied for longer than 40 years.

PFDs with at least one regional center constructed before January 1, 2004, also can levy an additional local sales and use tax of 0.02% to finance the construction, improvement, rehabilitation, or expansion of regional theaters. Once imposed, the tax may remain in place until bonds that finance the construction of the facility are retired, but the tax may not be levied for longer than 40 years.

PROPOSAL:

This bill extends the expiration date of these taxes from 40 years to 65 years, provided the bonds have not yet retired.

EFFECTIVE DATE:

The bill takes effect 90 days after the 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.

Any revenue impact associated with extending the public facilities tax is beyond the time frame of this fiscal note.

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 of Revenue 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

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 6158 S SB	Title: Public facilities districts
-------------------------------	---

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

Legislation Impacts:

- ☐ Cities:
- ☐ Counties:
- ☒ Special Districts: increased expenditures for county authorized public facility districts
- ☒ Specific jurisdictions only: county authorized Public Facility Districts
- ☐ 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: exact number of county authorized PFDs, exact number of board members in county authorized PFDs

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Jurisdiction	FY 2024	FY 2025	2023-25	2025-27	2027-29
Special District		273,000	273,000	546,000	546,000
TOTAL \$		273,000	273,000	546,000	546,000
GRAND TOTAL \$					1,365,000

Part III: Preparation and Approval

Fiscal Note Analyst: Angie Hong	Phone: 360-725-5041	Date: 02/02/2024
Leg. Committee Contact: Karen Epps	Phone: 360-786-7424	Date: 01/31/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/02/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/05/2024

Part IV: Analysis

A. SUMMARY OF BILL

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

CHANGES FROM PREVIOUS BILL VERSION

This substitute bill:

- amends RCW 36.100.040 [Lodging tax authorized—Annual payment amount—Payment of obligations—Application of other tax provisions] to expand the use of proceeds of a convention center PFD paid to a county from “used by the county to support affordable housing programs...” to “used by a county to support community-initiated equitable development and affordable housing program...”

- amends RCW 36.100.130 to add “the dollar thresholds established (\$100 per day for attending conferences, not to exceed \$6,000 per year) must be adjusted for inflation by the office of financial management every five years, beginning January 1, 2029, based upon changes in the consumer price index during that time period

SUMMARY OF CURRENT BILL VERSION

Section 1 amends RCW 82.14.390 [Sales and use tax for regional centers] to remove a reference to repealed legislation.

Section 2 amends RCW 82.14.485 [Sales and use tax for regional centers] to extend the date of which a tax expires by 25 years.

Section 3 amends RCW 36.100.040 [Lodging tax authorized—Annual payment amount—Payment of obligations—Application of other tax provisions] to expand the use of proceeds of a convention center PFD paid to a county from “used by the county to support affordable housing programs...” to “used by a county to support community-initiated equitable development and affordable housing program...”

Section 4 amends RCW 36.100.130 [Board of Directors - Compensation] to increase the compensation of each member of the board of directors of the public facilities district for attending meetings or conferences on behalf of the district from \$50 per day to \$100 per day and to double the not to exceed amount from \$3000/year to \$6000 per year, and to add “the dollar thresholds established (\$100 per day for attending conferences, not to exceed \$6,000 per year) must be adjusted for inflation by the office of financial management every five years, beginning January 1, 2029, based upon changes in the consumer price index during that time period.

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.

CHANGES FROM PREVIOUS BILL VERSION

This substitute bill does not alter the previous analysis of expenditure impacts.

SUMMARY OF CURRENT BILL VERSION'S EXPENDITURE IMPACTS

Section 4 of this bill will increase expenditures for members of county authorized Public Facility Districts (PFD) boards, a type of special district. Currently, county authorized PFD board members may receive stipends up to \$3,000 per year to offset the costs of travel to attend meetings and conferences. This bill will increase that stipend amount to up to \$6,000 per year. The LGFN Program assumes county authorized PFD board members utilize the stipends fully.

A county authorized PFD is a PFD that was formed by a county and utilizes title 36. Currently, there are about 13 county authorized PFDs in Washington with board member-counts ranging from 5 to 9. The LGFN Program assumes an average of 7 board members per county authorized PFD to total 91 board members eligible for increased stipends.

91 board members x (\$3,000) expenses = \$273,000 per year increased expenses

Section 2 of this bill amends an expiration date that is beyond the 5-year scope of this fiscal note.

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 bill will not impact local government revenue.

Section 3 of this bill alters the use of current revenue amounts for public facility districts, but does not alter the total amount of current revenue amounts.

SOURCES

Washington Public Facility District Association