

Multiple Agency Fiscal Note Summary

Bill Number: 1510 S HB AMH SANT H2696.1	Title: Community preservation auth.
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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 State Treasurer	0	0	760,000	0	0	8,940,000	0	0	9,800,000
Department of Revenue	(450,000)	(450,000)	(450,000)	(5,660,000)	(5,660,000)	(5,660,000)	(6,210,000)	(6,210,000)	(6,210,000)
Total \$	(450,000)	(450,000)	310,000	(5,660,000)	(5,660,000)	3,280,000	(6,210,000)	(6,210,000)	3,590,000

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		(310,000)		(3,280,000)		(3,590,000)
Local Gov. Total		(310,000)		(3,280,000)		(3,590,000)

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 State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Revenue	1.0	331,800	331,800	331,800	.2	47,200	47,200	47,200	.2	47,200	47,200	47,200
Total \$	1.0	331,800	331,800	331,800	0.2	47,200	47,200	47,200	0.2	47,200	47,200	47,200

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Treasurer	.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:
Revised 2/ 7/2024

Individual State Agency Fiscal Note

Revised

Bill Number: 1510 S HB AMH SANT H2696.1	Title: Community preservation auth.	Agency: 090-Office of State Treasurer
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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
Community Preservation and Development Authority Account-State 14H-1		760,000	760,000	8,940,000	9,800,000
Total \$		760,000	760,000	8,940,000	9,800,000

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: Tracey Taylor	Phone: 360-786-7152	Date: 01/24/2024
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 02/07/2024
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 02/07/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/07/2024

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.

SHB 1510 AMH SANT H2696.1, under section 1(2)(b), directs the office of the state treasurer to transfer revenue from the general fund to the community preservation and development authority account based on notifications from the department of revenue.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

The following estimated amounts were provided by the department of revenue (DOR):

FY 25 = \$ 760,000

FY 26 = \$4,390,000

FY 27 = \$4,550,000

FY 28 = \$4,780,000

FY 29 = \$5,020,000

Please note,

1. DOR will include the general fund impact on their fiscal note.
2. The department of commerce will include the local government impact on their local government fiscal note.
3. The office of the state treasurer, this fiscal note, includes the community preservation and development authority account impact.

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: 1510 S HB AMH SANT H2696.1	Title: Community preservation auth.	Agency: 140-Department of Revenue
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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
GF-STATE-State 01 - Taxes 01 - Retail Sales Tax		(450,000)	(450,000)	(5,660,000)	(6,210,000)
Total \$		(450,000)	(450,000)	(5,660,000)	(6,210,000)

Estimated Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	1.8	1.0	0.2	0.2
Account					
GF-STATE-State 001-1	25,300	306,500	331,800	47,200	47,200
Total \$	25,300	306,500	331,800	47,200	47,200

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: Tracey Taylor	Phone: 60-786-7152	Date: 01/24/2024
Agency Preparation: Diana Tibbetts	Phone: 60-534-1520	Date: 01/25/2024
Agency Approval: Valerie Torres	Phone: 60-534-1521	Date: 01/25/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/26/2024

Request # 1510-1-1

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.

Note: This fiscal note reflects House amendment 1510-S AMH SANT H2696.1 to SHB 1510, 2024 Legislative Session.

COMPARISON OF THE AMENDMENT WITH THE SUBSTITUTE:

The striking amendment removes the \$1 impact assessment fee on the price of admission to certain qualified facilities.

Instead, the amendment requires the Community Preservation and Development Authority (CPDA) account to receive 30% of the retail sales tax revenue from sales at a qualified facility.

CURRENT LAW:

CPDAs are created to restore or enhance the health, safety, and economic well-being of communities adversely impacted by the construction of, or ongoing operation of, multiple major public facilities, public works, and capital projects with significant public funding or by other land use decisions.

CPDAs have the duty to demonstrate ongoing accountability for their actions by:

- Reporting to the appropriate committees of the legislature, one year after formation and every biennium thereafter, on the authority's strategic plan, activities, accomplishments, and any recommendations for statutory changes; and
- Reporting any changes in the authority's geographic boundaries to the appropriate committees of the legislature when the Legislature next convenes in regular session.

The CPDA Account is composed of two subaccounts, one for money to be appropriated for operating purposes and the other for money to be appropriated for capital purposes. Money in the account may be spent only after appropriation.

PROPOSAL:

Beginning January 1, 2025, the amendment requires the CPDA account to receive 30% of the retail sales tax revenue from sales occurring at a qualified stadium.

By November 1 and May 1 each year, the department must calculate the amount of sales and use tax collected as the result of retail sales at a "qualified facility" during the previous six months and notify the State Treasurer of the amount by December 1 and June 1. The State Treasurer must deposit those funds into the CPDA account by December 31 and June 30 each year.

A "qualified facility" is a facility located in a county with a CPDA meeting one of these requirements:

- A seating capacity of at least 68,000 fixed seats in an open-air stadium with related event space of at least 300,000 square feet.
- A seating capacity of at least 47,000 seats and a retractable roof.

The Joint Legislative Audit and Review Committee must review the CPDA funding provided in this proposal.

The CPDAs must submit biennial reports to the appropriate committees of the Legislature.

This proposal expires January 1, 2036.

EFFECTIVE DATE:

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

Request # 1510-1-1

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.

ASSUMPTIONS

- This proposal redirects 30% of state and local sales and use taxes generated at qualified facilities to the CPDA Account because it does not exclude local sales tax in the bill language.
- Seattle's local sales tax rate is 3.75%.
- Office of the State Treasurer (OST) will show the transfer to the CPDA Account on the OST fiscal note.
- The Performance Audits of Government Account receives a 0.16% share of retail sales and use tax collections. The transfer excludes these amounts from the transfer to the CPDA Account.
- Growth mirrors the Economic and Revenue Forecast Council's (ERFC) statewide taxable retail sales.
- The May 1, 2025, distribution calculation includes collections from January and February of 2025.
- The November 1, 2025, distribution calculation includes collections from March through September of 2025.

Ongoing distribution calculations:

- The May 1 calculation includes collections from October through December of the previous year and January and February of the current year.
- The November 1 calculation includes collections from March through September of the current year.

DATA SOURCES

- Department of Revenue, Excise tax data
- Economic and Revenue Forecast Council, November 2023 forecast

REVENUE ESTIMATES

This bill decreases state revenues by an estimated \$0.45 million in the 2 months of impacted collections in fiscal year 2025, and by \$2.78 million in fiscal year 2026, the first full year of impacted collections.

This bill also decreases Seattle's local sales tax revenues by an estimated \$0.31 million in the 2 months of impacted collections in fiscal year 2025, and by \$1.61 million in fiscal year 2026, the first full year of impacted collections.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2024 -	\$ 0
FY 2025 -	(\$ 450)
FY 2026 -	(\$ 2,780)
FY 2027 -	(\$ 2,880)
FY 2028 -	(\$ 3,030)
FY 2029 -	(\$ 3,180)

Local Government, if applicable (cash basis, \$000):

FY 2024 -	\$ 0
FY 2025 -	(\$ 310)
FY 2026 -	(\$ 1,610)
FY 2027 -	(\$ 1,670)
FY 2028 -	(\$ 1,750)
FY 2029 -	(\$ 1,840)

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.

FIRST YEAR COSTS:

The department will incur total costs of \$25,300 fiscal year 2024. These costs include:

- Labor Costs – Time and effort equate to 0.2 FTE.
- Gathering requirements and implementation meetings.

SECOND YEAR COSTS:

The department will incur total costs of \$306,500 in fiscal year 2025. These costs include:

- Labor Costs – Time and effort equate to 1.76 FTEs.
- Set up, program, and test computer system changes.
- Create special notice and update relevant information on the department’s website.
- Process returns, assist taxpayers with reporting questions and respond to inquiries via email, web message, and paper correspondence.
- Review reports, scrutinize data, and examine accounts and make corrections as necessary.

Object Costs - \$56,500.

- Computer system changes, including contract programming.

ONGOING COSTS:

Ongoing costs for the 2025-27 biennium equal \$47,000 and include similar activities described in the second-year costs. Time and effort equate to 0.2 FTE.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	1.8	1.0	0.2	0.2
A-Salaries and Wages	15,600	159,800	175,400	31,200	31,200
B-Employee Benefits	5,100	52,800	57,900	10,200	10,200
C-Professional Service Contracts		56,500	56,500		
E-Goods and Other Services	3,200	25,900	29,100	4,600	4,600
J-Capital Outlays	1,400	11,500	12,900	1,200	1,200
Total \$	\$25,300	\$306,500	\$331,800	\$47,200	\$47,200

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
EXCISE TAX EX 3	64,092	0.1	0.3	0.2	0.1	0.1
IT ARCH-SR/SPEC	111,780		0.3	0.2		
IT B A-JOURNEY	91,968	0.1	0.9	0.5	0.1	0.1
IT SYS ADM-JOURNEY	96,552		0.1	0.1		
TAX POLICY SP 2	78,120		0.0	0.0		
TAX POLICY SP 3	88,416		0.0	0.0		
WMS BAND 2	98,456		0.1	0.1		
Total FTEs		0.2	1.8	1.0	0.2	0.2

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: 1510 S HB AMH
SANT H2696.1

Title: Community preservation auth.

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

Legislation Impacts:

- Cities: decrease in sales tax revenue
- Counties: decrease in sales tax revenue
- Special Districts:
- Specific jurisdictions only: Seattle and King County
- 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:

Estimated revenue impacts to:

Jurisdiction	FY 2024	FY 2025	2023-25	2025-27	2027-29
City		(263,500)	(263,500)	(2,788,000)	(3,051,500)
County		(46,500)	(46,500)	(492,000)	(538,500)
TOTAL \$		(310,000)	(310,000)	(3,280,000)	(3,590,000)
GRAND TOTAL \$					(7,180,000)

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Tammi Alexander	Phone: 360-725-5038	Date: 01/31/2024
Leg. Committee Contact: Tracey Taylor	Phone: 360-786-7152	Date: 01/24/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/31/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/31/2024

Part IV: Analysis

A. SUMMARY OF BILL

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

This fiscal note reflects House amendment 1510-S AMH SANT H2696.1 to SHB 1510, 2024 Legislative Session. A fiscal note was not completed for the first substitute, this analysis is based on a comparison with the analysis completed for the original version.

This bill redirects 30 percent of state and local sales and use taxes generated at qualified facilities to the Community Preservation and Development Authority (CPDA) account.

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 no action is required.

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 decrease sales and use tax revenue for Seattle and King County, the location of the facility meeting the definition of a "qualified facility" as defined in the bill.

According to the Department of Revenue (DOR) this bill would decrease local sales tax revenues by an estimated \$0.31 million in the 2 months of impacted collections in fiscal year 2025, and by \$1.61 million in fiscal year 2026, the first full year of impacted collections. For the Seattle retail sales tax, 85 percent would be distributed to the city and 15 percent to the county.

REVENUE LOSS BREAKDOWN:

KING COUNTY

FY 2024	\$0
FY 2025	-\$46,500
FY 2026	-\$241,500
FY 2027	-\$250,500
FY 2028	-\$262,500
FY 2029	-\$276,000

SEATTLE

FY 2024	\$0
FY 2025	-\$263,500
FY 2026	-\$1,368,500
FY 2027	-\$1,419,500
FY 2028	-\$1,487,500
FY 2029	-\$1,564,000

Please see the DOR fiscal note for a complete list of their data sources and assumptions.

SOURCES:

Department of Revenue
Department of Revenue fiscal note, S HB 1510 AMH SANT H2696.1 (2024)