

Multiple Agency Fiscal Note Summary

Bill Number: 2491 S HB H-3099.1	Title: Lease of unused highway land
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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
Department of Transportation	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

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 Attorney General	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Transportation	4.0	0	0	945,000	8.0	0	0	1,890,000	8.0	0	0	1,890,000
Total \$	4.0	0	0	945,000	8.0	0	0	1,890,000	8.0	0	0	1,890,000

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Department of Transportation	.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

NONE

Prepared by: Maria Thomas, OFM	Phone: (360) 229-4717	Date Published: Final 2/21/2024
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Individual State Agency Fiscal Note

Bill Number: 2491 S HB H-3099.1	Title: Lease of unused highway land	Agency: 100-Office of Attorney General
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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: Christine Thomas	Phone: 360-786-7142	Date: 02/05/2024
Agency Preparation: Dave Merchant	Phone: 360-753-1620	Date: 02/09/2024
Agency Approval: Dianna Wilks	Phone: 360-709-6463	Date: 02/09/2024
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 02/12/2024

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.

1. The Attorney General's Office (AGO) Administration Division (ADM) has reviewed this bill and determined it will not increase or decrease the division's workload. Therefore, no costs are included in this request.
2. The AGO Solicitor General's Office (SGO) has reviewed this bill and determined it will not increase or decrease the division's workload. Therefore, no costs are included in this request.
3. The AGO Transportation and Public Construction (TPC) has reviewed this bill and determined it will not increase or decrease the division's workload. The enactment of this bill will not impact legal services to Washington State Department of Transportation (WSDOT) because TPC's role will be to assist WSDOT's Real Estate Services Division in the modification of the standard clauses in the template lease. We anticipate about 50 hours per year for 2024 and 2025. New legal services are nominal and costs are not included in this request.

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.

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.

See attached WSDOT fiscal note.

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

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
108-1	Motor Vehicle Account	State	0	945,000	945,000	1,890,000	1,890,000
Total \$			0	945,000	945,000	1,890,000	1,890,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		8.0	4.0	8.0	8.0
A-Salaries and Wages		671,000	671,000	1,342,000	1,342,000
B-Employee Benefits		274,000	274,000	548,000	548,000
C-Professional Service Contracts					
E-Goods and Other Services					
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	945,000	945,000	1,890,000	1,890,000

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
Property & Acquisition Specialist 4	82,530		7.0	3.5	7.0	7.0
Property & Acquisition Specialist 6	93,339		1.0	0.5	1.0	1.0
Total FTEs			8.0	4.0	8.0	8.0

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.

See discussion in attached fiscal note.

Individual State Agency Fiscal Note

Bill Number: 24-59-2491SHB-H-3099.1	Title: Leasing property for less than FMR	Agency: 405-Department of Transportation
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Part I: Estimates

- No Fiscal Impact (Explain in section II. A)
If a fiscal note is assigned to our agency, someone believes there might be, and we need to address that, showing why there is no impact to the department.
- Indeterminate Cash Receipts Impact (Explain in section II. B)
- Partially Indeterminate Cash Receipts Impact (Explain in section II. B)
- Indeterminate Expenditure Impact (Explain in section II. C)
- Partially Indeterminate Expenditure Impact (Explain in section II. C)

- If fiscal impact is less 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 greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, **complete entire fiscal note form Parts I-V**
- Capital budget impact, **complete Part IV**
- Requires new rule making, **complete Part V**
- Revised

		2023-25 Biennium		2025-27 Biennium		2027-29 Biennium	
Expenditures		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
108 - Motor Vehicle Account		\$0	\$945,000	\$945,000	\$945,000	\$945,000	\$945,000
Total Expenditures		\$0	\$945,000	\$945,000	\$945,000	\$945,000	\$945,000
Biennial Totals		\$945,000		\$1,890,000		\$1,890,000	
FTEs	Salary	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Property & Acquisition Specialist 4	\$82,530	0.0	7.0	7.0	7.0	7.0	7.0
Property & Acquisition Specialist 6	\$93,339	0.0	1.0	1.0	1.0	1.0	1.0
Annual Average		4		8.0		8.0	
Objects of Expenditure		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
A - Salaries		\$0	\$671,000	\$671,000	\$671,000	\$671,000	\$671,000
B - Benefits		\$0	\$274,000	\$274,000	\$274,000	\$274,000	\$274,000

Agency Assumptions

The number of WSDOT owned properties that may be designated for review under the requirements of the proposed bill is uncertain at this time.

Estimate assumes 1 FTE at Property Acquisition Specialist 6 and 1 FTE Property Acquisition Specialist 4 for HQ oversight; 1 FTE at Property Acquisition Specialist 4 in each Region RES Office (6 FTEs).

WSDOT’s current RES staff availability statewide is not sufficient to handle this new workload therefore additional staffing resources will be critical to meeting the requirements of this bill.

Individual State Agency Fiscal Note

Agency Contacts:

Preparer: Robin Curl/Erik Jonson	Phone: x6968 / x 7271	Date: 2/6/2024
Approval: Mark Gaines, Development Director	Phone: 360-705-7231	Date: 2/7/2024
Budget Manager: Doug Clouse	Phone: 360-705-7535	Date: 2/16/2024

Part II: Narrative Explanation

II. A - Brief description of what the measure does that has fiscal impact.

New Section 1(6)(a) allows WSDOT to lease properties for less than economic rent or an offset of economic rent to public agencies or community based nonprofit organizations for community purposes for social, environmental, or economic benefits provided by the lessee for community purposes.

New Section 1 (6)(c)(i)(ii) requires the lease agreement include the property to be used for the designated community purpose and allows terms to the lease agreement should the property fail to be used for the designated community purpose or ceases to be used for the purpose.

New Section 1(6)(d) requires the department to provide an annual report to the Transportation Committees of the legislature by Dec 1st of each year with information on the active lease agreements authorized under this subsection, including the community purposes being served and the summary of relevant lease terms.

II. B – Cash Receipts Impact

It is uncertain how much potential lease revenue will not be collected by the department. RES currently brings in 13 million dollars annually in lease revenue. This bill may affect current leases in place dropping the annual lease revenue.

II. C - Expenditures

New Section 1(6)(a) allows WSDOT to lease properties for less than economic rent or an offset of economic rent to public agencies or community based nonprofit organizations for community purposes for social, environmental, or economic benefits provided by the lessee for community purposes.

- It is uncertain how much potential lease revenue will not be collected by the department. Real Estate Services currently brings in 13 million dollars annually in lease revenue. This bill may affect current leases in place dropping the annual lease revenue.

New Section 1 (6)(c)(i)(ii) requires the lease agreement include the property to be used for the designated community purpose and allows terms to the lease agreement should the property fail to be used for the designated community purpose or ceases to be used for the purpose.

- This will require monitoring of leases above and beyond the normal policies and procedures currently in place.

New Section 1(6)(d) requires the department to provide an annual report to the Transportation Committees of the legislature by Dec 1st of each year with information on the active lease agreements authorized under this subsection, including the community purposes being served and the summary of relevant lease terms.

- This will require a new report that will need to be completed each year.

Program oversight by Headquarters Real Estate Services (1 FTE at a Property Acquisition Specialist 6 & 1 FTE at a Property Acquisition Specialist 4), as well as staff in each region (1 FTE at a Property Acquisition Specialist 4 in each of 6 regions).

Individual State Agency Fiscal Note

The department does not have any data or information that would help aid with estimating the number of lease requests that are changed through this amendment of the RCW. Each lease request will require an addition level of reporting, review, and legal coordination with Attorney General's Office. In addition, each region will be required to engage in ongoing lease reporting and monitoring to ensure compliance with the additional requirements.

In addition to an FTE for each region, two Property Management staff in Headquarters will be needed to assist with the increased work activities. The added 6 FTEs for the regions and 2 FTEs at Headquarters are based on the reasoning above.

Part III: Expenditure Detail

III. A - Expenditures by Object or Purpose

N/A

Part IV: Capital Budget Impact

N/A

Part V: New Rule Making Required

New Section 1(f) and (2) will need to be added to one or both WAC 468-30-110 and 468-30-060.