

Multiple Agency Fiscal Note Summary

Bill Number: 1510 E S HB AMS WM S5550.1	Title: Community preservation auth.
---	--

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	450,000	0	0	5,660,000	0	0	6,210,000
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)	0	(5,660,000)	(5,660,000)	0	(6,210,000)	(6,210,000)	0

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Fiscal note not available					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Joint Legislative Audit and Review Committee	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Revenue	.6	235,800	235,800	235,800	.2	47,200	47,200	47,200	.2	47,200	47,200	47,200
Total \$	0.6	235,800	235,800	235,800	0.2	47,200	47,200	47,200	0.2	47,200	47,200	47,200

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Joint Legislative Audit and Review Committee	.0	0	0	.0	0	0	.0	0	0
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

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Breakout

This preliminary package is incomplete and may not reflect the total fiscal impact. Other agencies' fiscal notes will be distributed as soon as possible.

Prepared by: Amy Hatfield, OFM

Phone:
(360) 280-7584

Date Published:
Preliminary 2/29/2024

Individual State Agency Fiscal Note

Bill Number: 1510 E S HB AM; WM S5550.1	Title: Community preservation auth.	Agency: 014-Joint Legislative Audit and Review Committee
--	--	---

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: Tianyi Lan	Phone: 360-786-7432	Date: 02/27/2024
Agency Preparation: Melanie Stidham	Phone: 360-786-5190	Date: 02/28/2024
Agency Approval: Eric Thomas	Phone: 360 786-5182	Date: 02/28/2024
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 02/28/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

The amended bill establishes permanent funding for community preservation and development authorities via the state's portion of sales tax collected at Lumen Field and T-Mobile park in Seattle. The bill requires the Joint Legislative Audit and Review Committee (JLARC) to review if the Community Preservation and Development Authority:

- Increases the economic vitality of the area by providing assistance to struggling small businesses in the area and assisting in the repair of unreinforced masonry that allows businesses to remain in place, increases the safety of residents, and promotes the conversion of unused and underutilized properties to benefit the community.
- Enhances the livability of the community by assisting in addressing the litter and debris in streets and alleys and provide remediation to address the impacts of homelessness.
- Addresses housing needs, including funding new low-income and workforce housing units, as well as funding locally based street outreach to support interventions for unhoused residents.

The study is due by December 1, 2033.

II. B - Cash receipts Impact

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

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

JLARC staff would contact and work with the Department of Revenue, the Department of Commerce, King County, the City of Seattle, and other appropriate agencies or organizations immediately after passage of the bill to ensure project contacts are established and any other necessary data for JLARC staff's future evaluation needs are identified and collected.

JLARC staff anticipate beginning the study at the end of 2030, with most of the work anticipated in 2032, outside of the range of this fiscal note. Costs associated with the review are therefore not included in this fiscal note.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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
Research Analyst	131,064					
Support staff	110,856					
Total FTEs						0.0

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

Revised

Bill Number: 1510 E S HB AM; WM S5550.1	Title: Community preservation auth.	Agency: 090-Office of State Treasurer
--	--	--

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		450,000	450,000	5,660,000	6,210,000
Total \$		450,000	450,000	5,660,000	6,210,000

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: Tianyi Lan	Phone: 360-786-7432	Date: 02/27/2024
Agency Preparation: Mandy Kaplan	Phone: (360) 902-8977	Date: 02/27/2024
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 02/27/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/29/2024

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.

ESHB 1510 AMS WM S5550.1, 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 = \$ 450,000

FY 26 = \$2,780,000

FY 27 = \$2,880,000

FY 28 = \$3,030,000

FY 29 = \$3,180,000

Please note,

1. DOR will include the general fund impact on their fiscal note.
2. 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 E S HB AM: WM S5550.1	Title: Community preservation auth.	Agency: 140-Department of Revenue
--	--	--

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		1.3	0.6	0.2	0.2
Account					
GF-STATE-State 001-1		235,800	235,800	47,200	47,200
Total \$		235,800	235,800	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: Tianyi Lan	Phone: 60-786-7432	Date: 02/27/2024
Agency Preparation: Diana Tibbetts	Phone: 60-534-1520	Date: 02/29/2024
Agency Approval: Marianne McIntosh	Phone: 60-534-1505	Date: 02/29/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/29/2024

Request # 1510-3-1

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 Senate amendment AMS WM S5550.1 to ESHB 1510, 2024 Legislative Session.

COMPARISON OF STRIKING AMENDMENT WITH THE ENGROSSED SUBSTITUTE:

The striking amendment removes local sales tax revenues made at qualified facilities.

Instead of state and local revenues, the striking amendment requires that 30% of only state retail sales and use tax revenue from sales at qualified facilities be deposited into the Community Preservation and Development Authority (CPDA) Account.

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 must 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 comprises 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, this striking amendment to the engrossed substitute bill requires 30% of the state retail sales and use tax revenue from sales occurring at qualified facilities to be deposited into the CPDA Account.

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 on January 1, 2036.

EFFECTIVE DATE:

Request # 1510-3-1

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.

ASSUMPTIONS

- This proposal redirects 30% of state sales and use taxes generated at qualified facilities to the CPDA Account.
- The 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 statewide taxable retail sales.
- The May 1, 2025, distribution calculation includes January and February 2025 collections.
- The November 1, 2025, distribution calculation includes collections from March through September 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 two months of impacted collections in fiscal year 2025 and by \$2.78 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): None

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 not incur any costs in fiscal year 2024.

SECOND YEAR COSTS:

The department will incur total costs of \$235,800 in fiscal year 2025. These costs include:

Request # 1510-3-1

Labor Costs – Time and effort equate to 1.26 FTEs.

- Gather requirements and implementation meetings.
- Set up, program, and test computer system changes.
- Create a 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, 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 \$47,200 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		1.3	0.6	0.2	0.2
A-Salaries and Wages		113,800	113,800	31,200	31,200
B-Employee Benefits		37,600	37,600	10,200	10,200
C-Professional Service Contracts		56,500	56,500		
E-Goods and Other Services		19,100	19,100	4,600	4,600
J-Capital Outlays		8,800	8,800	1,200	1,200
Total \$		\$235,800	\$235,800	\$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		0.3	0.2	0.1	0.1
IT ARCH-SR/SPEC	111,780		0.3	0.2		
IT B A-JOURNEY	91,968		0.4	0.2	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			1.3	0.6	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