

Multiple Agency Fiscal Note Summary

Bill Number: 1212 S HB	Title: Child care center siting
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Estimated Cash Receipts

NONE

Agency Name	2025-27		2027-29		2029-31	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	.1	310,104	310,104	310,104	.0	0	0	0	.0	0	0	0
Environmental and Land Use Hearings Office	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.1	310,104	310,104	310,104	0.0	0	0	0	0.0	0	0	0

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other			5,540,600						
Local Gov. Other	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Local Gov. Total			5,540,600						

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Prepared by: Marie Davis, OFM	Phone: (360) 890-1163	Date Published: Final 2/17/2025
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Individual State Agency Fiscal Note

Bill Number: 1212 S HB	Title: Child care center siting	Agency: 103-Department of Commerce
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.1	0.1	0.1	0.0	0.0
Account					
General Fund-State 001-1	117,952	192,152	310,104	0	0
Total \$	117,952	192,152	310,104	0	0

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:

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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: Jackie Kauble	Phone: 360-786-7125	Date: 01/29/2025
Agency Preparation: Erin LaLonde	Phone: (360) 725-4060	Date: 02/03/2025
Agency Approval: Erin LaLonde	Phone: (360) 725-4060	Date: 02/03/2025
OFM Review: Marie Davis	Phone: (360) 890-1163	Date: 02/15/2025

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 differences between SHB 1212 and HB 1212:

This substitute modifies the effectiveness dates in sections 1 and 2. The effective date for cities with a 2027 update is the current periodic update cycle; all other cities must adopt development regulations within two years of the effective date.

SHB 1212 adds a new section to section to RCW 35.21 and RCW 35A.21, respectively, and requires all cities and towns to allow childcare centers and the conversion of a building to a childcare center in all zones, excluding industrial zones.

SHB 1212 would not modify the fiscal impact on the Department of Commerce (Department).

Section 1 requires all cities and towns to amend their codes within one year of their next periodic update to allow childcare centers and the conversion of buildings to childcare centers in all zones, excluding industrial zones. The effectiveness date for cities with a 2027 update is the current periodic update cycle. All other cities must adopt development regulations within two years of the effectiveness date.

Section 2 requires all code cities and towns to amend their codes within one year of their next periodic update or within two years of the effective date of the section if they are a partially planning city or town to allow childcare centers and the conversion of buildings to childcare centers in all zones. The effectiveness date for jurisdictions with a 2027 update is the current periodic update cycle. All other fully planning jurisdictions must adopt development regulations within two years of the effectiveness date.

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.

Sections 1 and 2 will require the development of guidance to ensure cities are able to update codes within the timelines provided.

The Department assumes fiscal impact when developing land use guidance on development regulations appropriate for childcare centers. This will also require translation services and outreach.

0.10 Management Analyst 4 (209 hours) in FY26 and FY27 to manage guidance updates, and procurement contracts and to lead community outreach and engagement of the new guidance.

Salary and Benefits:
FY26-FY27: \$11,853

Goods and Services:
FY26-FY27: \$2,100

Professional Services Contracts: The Department assumes two professional service contracts. 1) guidance development

and technical assistance materials including one recorded webinar to be posted to the department webpage (FY26: \$100,000 and FY27: \$150,000). 2) \$20,700 for translation contracts that would include the translation of two documents into 6 English-alternative languages (\$1,725 per document x 2 documents x 6 languages), and 1 \$3,500 interpretive services contractor to support accessibility at a recorded webinar (\$3,500 cost per event x 1 event).

FY26: \$100,000

FY27: \$174,200

Travel:

FY26-FY27: \$100

Intra-agency Reimbursements:

FY26-FY27: \$3,900

Total Costs:

FY26: \$117,952

FY27: \$192,152

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	117,952	192,152	310,104	0	0
Total \$			117,952	192,152	310,104	0	0

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.1	0.1	0.1		
A-Salaries and Wages	8,879	8,879	17,758		
B-Employee Benefits	2,973	2,973	5,946		
C-Professional Service Contracts	100,000	174,200	274,200		
E-Goods and Other Services	2,100	2,100	4,200		
G-Travel	100	100	200		
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	3,900	3,900	7,800		
9-					
Total \$	117,952	192,152	310,104	0	0

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 2026	FY 2027	2025-27	2027-29	2029-31
Management Analyst 4	88,794	0.1	0.1	0.1		
Total FTEs		0.1	0.1	0.1		0.0

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Local Government Division (600)	117,952	192,152	310,104		
Total \$	117,952	192,152	310,104		

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: 1212 S HB	Title: Child care center siting	Agency: 468-Environmental and Land Use Hearings Office
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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: Jackie Kauble	Phone: 360-786-7125	Date: 01/29/2025
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 01/31/2025
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 01/31/2025
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/01/2025

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.

Sec. 1 adds a new section to chapter 35.21 RCW requiring cities and towns to allow child care centers to be permitted in all zones except industrial zones; allowing cities and towns to impose restrictions on permits including pickup and drop-off areas; and requiring cities that plan under the Growth Management Act (GMA) and that are required to update their comprehensive plan in 2027 to implement these changes in their next comprehensive plan update. All other cities are required to implement these changes within two years of the effective date of the bill.

Sec. 2 adds a new section to chapter 35A.21 establishing the same requirements, powers, and deadlines for code cities.

The Environmental and Land Use Hearings Office (ELUHO) does not anticipate any impacts as a result of this bill to the Growth Management Hearings Board.

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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1212 S HB	Title: Child care center siting
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

☒ Cities: Approximately \$13,500 to \$21,500, per jurisdiction; \$5,541,000 estimated impact for towns, cities, and code cities that would be required to adopt new provisions in local code to site childcare facilities in all non-industrial zones. Indeterminate impacts related to new permitting and enforcement processes that would vary by jurisdiction.

☐ Counties:

☐ Special Districts:

☐ Specific jurisdictions only:

☐ Variance occurs due to:

Part II: Estimates

☐ No fiscal impacts.

☒ Expenditures represent one-time costs: Ordinance adoption costs.

☐ Legislation provides local option:

☒ Key variables cannot be estimated with certainty at this time: Changes to existing permitting and enforcement processes would vary by jurisdiction; unknown number of new childcare center permits issued by towns and cities through the expanded zoning and development regulation requirements under this act.

Estimated revenue impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated expenditure impacts to:

Jurisdiction	FY 2026	FY 2027	2025-27	2027-29	2029-31
City	2,022,600	3,518,000	5,540,600		
TOTAL \$	2,022,600	3,518,000	5,540,600		
GRAND TOTAL \$	5,540,600				

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

Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 02/17/2025
Leg. Committee Contact: Jackie Kauble	Phone: 360-786-7125	Date: 01/29/2025
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/17/2025
OFM Review: Marie Davis	Phone: (360) 890-1163	Date: 02/17/2025

Part IV: Analysis

A. SUMMARY OF BILL

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

This fiscal note reflects language in the substitute version of HB 1212, 2025 legislative session. The amendments to this bill are compared to the original version of HB 1212.

CHANGES FROM PRIOR BILL VERSION:

Sec. 1 is amended such that the requirements of this act are required of all cities and towns within two years of the effective date of this act.

Sec. 2 is amended with the same implementation timeline as Sec. 1, for code cities.

SUMMARY OF CURRENT BILL VERSION:

This proposed substitute legislation requires cities and towns to allow child care centers, including conversions of existing buildings for child care use, as a permitted use in all zones except industrial zones. It requires these local governments to update their development regulations to comply with these provisions within two years of the effect date of the bill or one year after their next scheduled comprehensive plan update.

Sec. 1 towns and cities must allow childcare centers and conversions of existing buildings into childcare as a permitted use in all zones except industrial zones. Zoning and development regulations must be amended or adopted within two years of the effective date of this bill.

Sec. 2 is the same provision zoning and development regulations, with the same implementation timelines, for code cities.

This act would take 90 days after the session in which it is passed.

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.

EXPENDITURE CHANGES FROM PRIOR BILL VERSION:

The implementation date for all cities and towns would be within two years of the effective date of this proposed substitute act. The estimation for the per jurisdiction impact remains the same as the prior bill.

Under this proposed substitute bill the amendments change when all cities and towns would adopt the development and zoning regulations when compared to the prior bill, but the total estimated costs remain the same.

EXPENDITURE IMPACT OF CURRENT BILL

This proposed substitute bill would have determinate and indeterminate costs.

Under this proposed substitute legislation, all towns, cities, and code cities would be required to review and amend zoning ordinances to reflect the new requirements for childcare center siting in new areas and within existing buildings within two years of the effective date of the bill. This act would have moderate expenditure impacts (less than \$50,000, per jurisdiction) for all towns, cities, and code cities in the state.

Additionally, there would be indeterminate costs related to local governments creating new standards for pickup/drop-off areas and other reasonable considerations for childcare center permits. New enforcement procedures and training may need to be adopted as a condition of the changes to permitting, which will vary by jurisdiction.

Sections 1 and 2 would require all cities and towns to adopt new development regulation or amending prior code to allow

for child care siting in new zones, as well as amending permitting regulations and enforcement policies.

Assumptions:

Implementation timing:

-- Required within two years of the effective date of this act.

Implementing costs:

-- Sec. 1 and 2 for non-fully planning cities and code cities would cost of \$13,500 per jurisdiction.

--- 63 Cities and towns x \$13,550 = \$853,650

-- Sec. 1 and 2 for fully planning cities and code cities would cost \$21,500 per jurisdiction

--- 218 Cities and towns x \$21,500 = \$4,687,000

Implementation of jurisdictions with Comprehensive Plans due in 2027:

-- Costs for implementing the provisions of this act for fully planning jurisdictions with 2027 comprehensive plan due dates were applied to FY27.

Implementation averaging for all other fully planning jurisdictions:

-- The number of cities and towns that would adopt the provisions of this act in either FY26 or FY27 is unknown.

-- The Local Government Fiscal Note Program averaged the total costs of these jurisdictions and applied half the costs in FY26 and half in FY27

Estimated costs of all cities, towns, and code cities

FY2026: \$2,022,600

FY2027: \$3,518,000

FY2028: \$0

FY2029: \$0

FY2030: \$0

FY2031: \$0

Total: \$5,540,600

Indeterminate Costs:

The effect of this substitute act on permitting and enforcement processes for child care centers would vary by city and town. The number of jurisdictions that would conduct review and change existing processes is currently unknown. The workload associated with these actions would vary by city or town.

NARRATIVE:

Amendments to Zoning and Development Regulations:

Local planning, legal, and administrative staff would be responsible for updating the zoning and development regulations. This work would have costs for holding public hearings, public outreach for visioning and input on the development of the final ordinance, State Environmental Policy Act non-project checklist, updating print and online documents, development of the final ordinance, and adoption. The Local Government Fiscal Note Program (LGFN) assume that costs to implement and adopt this legislation are less for partially planning towns than costs for fully planning towns, cities, and code cities because zoning and development regulations may be less complex for these jurisdictions, and they are not required to align with a local comprehensive plan.

Estimated costs for zoning and development regulations:

According to the LGFN Unit Cost Model (2025), the costs for this work assumes the following minimum costs to amend local code:

Partially planning cities and towns: \$13,550
Fully planning towns, cities, and code cities: \$21,500

Number of affected jurisdictions:

There are 218 towns, cities, and code cities that fully plan under the GMA that would be required to adopt new childcare siting ordinances within two years of the effective date of this act. There are 63 towns, cities, and code cities that do not fully plan under the GMA and would be required to adopt new childcare siting ordinance within two years of the effective date of this bill.

Changes to Permitting and Enforcement:

According to the American Planning Association Washington Chapter this bill would create an immediate need to change how permits for child care centers were reviewed and issued by superseding local regulations. The effect of this substitute act on permitting and enforcement processes for child care centers would vary by city and town. The number of jurisdictions that would conduct review and change existing processes is currently unknown. The workload associated with these actions would vary by city or town.

Permitting processes would need to be revised to align with the requirement that childcare centers would be outright permitted uses, which may require reducing discretionary reviews and conditional use permits in zones that allow for childcare centers under existing special considerations.

Cities and towns may need to update their code enforcement policies to align with compliance of the new zoning and permitting requirements for child care centers, which includes having reasonable pickup/drop-off zones. Additional time for enforcement may be necessary to inspect permittees to make sure that they are complying with new regulations. Permitting and code enforcement staff may need additional training to understand these new provisions in the local code and how to properly answer questions and enforce the code.

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.

REVENUE CHANGES FROM PRIOR BILL VERSION:

No change from prior bill version.

REVENUE IMPACT OF CURRENT BILL:

This proposed legislation would have an indeterminate revenue impact on local governments.

Increased Permitting:

This act increases the regulatory flexibility to site new childcare facilities in all zones except industrial zones which may increase the number of childcare permits processed by cities. Local government's permitting fees are cost-recovering and focused on covering the administrative expenses associated with permit processing, inspections, and enforcement. Fees must be proportional to the actual administrative effort under state law.

Impact Fees:

For cities that assess impact fees associated with childcare facility permits, there may be increased revenue to pay for additional capital services specifically defined by the impact fee. The value of the revenue impact is indeterminate, which would be determined by the impact fee and the number of permits issued by cities that assess impact fees on childcare centers.

BACKGROUND

in 2021, Washington adopted changes to RCW 82.02.060 in support of impact fee exemptions for childcare facilities. Local governments are restricted from imposing impact fees for childcare facilities that are greater than fees for other similar uses. Cities may also provide an exemption from impact fees for low-income housing or childcare facilities under certain circumstances. (MRSC)

SOURCES:

American Planning Association - Washington Chapter

Association of Washington Cities, Salary Survey (2024)

Local Government Fiscal Note Program, Unit Cost Model (2025)

Local Government Fiscal Note Program, FN 2468 HB (2024)

Municipal Research and Services Center, Reducing Barriers for Childcare Facilities