

Multiple Agency Fiscal Note Summary

Bill Number: 1353 S HB	Title: ADU self-certification
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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	No fiscal impact					
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	.3	88,166	88,166	88,166	.5	138,778	138,778	138,778	.5	138,778	138,778	138,778
Environmental and Land Use Hearings Office	Fiscal note not available											
Total \$	0.3	88,166	88,166	88,166	0.5	138,778	138,778	138,778	0.5	138,778	138,778	138,778

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	No fiscal impact								
Local Gov. Total									

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	Fiscal note not available								
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	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Prepared by: Marie Davis, OFM	Phone: (360) 890-1163	Date Published: Preliminary 2/23/2025
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Individual State Agency Fiscal Note

Bill Number: 1353 S HB	Title: ADU self-certification	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	0.3	0.3	0.3	0.5	0.5
Account					
General Fund-State 001-1	42,433	45,733	88,166	138,778	138,778
Total \$	42,433	45,733	88,166	138,778	138,778

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: Kellen Wright	Phone: 360-786-7134	Date: 02/13/2025
Agency Preparation: Jodi Barnes	Phone: (564) 669-0071	Date: 02/18/2025
Agency Approval: Jodi Barnes	Phone: (564) 669-0071	Date: 02/18/2025
OFM Review: Marie Davis	Phone: (360) 890-1163	Date: 02/23/2025

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.

Differences between SHB 1353 and HB 1353:

Rulemaking is no longer required by the Department of Commerce (Department) and each city adopts their own rules/program.

Reporting to the Department will begin on July 31, 2028.

The Department is no longer required to develop forms.

Changes the Department's reporting requirements, with a report due to the legislature by December 31, 2028.

SHB 1353 reduces the fiscal impact to the Department.

Bill Summary

SHB 1353 authorizes cities planning under the Growth Management Act (GMA) to operate a new self-certification program for architects to certify building construction or development of one or more detached accessory dwelling units (ADUs) on residential property.

Section 1(1) adds a new section to Chapter 36.70A RCW to include a program allowing registered architects to self-certify compliance with applicable building code requirements for the construction or development of one or more detached ADUs.

Section 1(2) adds a requirement for cities to adopt rules for their self-certification programs. These rules must address professional architect requirements, audits, penalties with appeals, and insurance requirements.

Section 1(3) adds new forms created by the local government providing that provide the architect's attestation, disclaimer, hold-harmless provision for the city, and acknowledgment from the owner.

Section 1(4) requires cities utilizing a self-certification program to notify the Department regarding any penalty imposed on an architect and requires the Department to maintain a database of architects who failed local audits and received penalties that cities can review.

Section 1(5) requires those cities utilizing the program proposed under this act to provide an annual report to the Department beginning July 31, 2028.

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.

SHB 1353 reduces the fiscal impact to the Department and removes the requirement for the Department to adopt rules, it

delays reporting to the Department until July 31, 2028, and removes the requirement for the Department to develop forms. The substitute also changes the Department's reporting requirements, with a report due to the legislature by December 31, 2028.

Section 1 requires the Department to receive and track city notices of penalty, create and maintain a database of architects under penalty, and receive, analyze, and report in 2028.

0.3 FTE Commerce Specialist 2 (626 hours) FY26-27 and 0.5 FTE Commerce Specialist 2 (1,044 hours) FY28-FY31. This staff will collect reports of penalties, develop and maintain the database of architects, and receive, analyze, and produce an annual summary report beginning in FY28. This staff will provide technical assistance to cities which choose to implement the program.

Salaries and Benefits:

FY26-FY27: \$29,972 each fiscal year

FY28-FY31: \$49,954 each fiscal year

Goods and Services: In addition to the standard Goods and Services associated with additional FTEs, the Department assumes Assistant Attorney General (AAG) support will be needed to review the Department tracking system. The Department assumes the need in FY27 for 20 hours at \$165/hour of Assistant Attorney General time.

FY26: \$2,300

FY27: \$5,600

FY28-FY31: \$2,500 each fiscal year

Travel:

FY26-FY27: \$300 each fiscal year

FY28-FY31: \$500 each fiscal year

Intra-Agency Reimbursements:

FY26-FY27: \$9,861 each fiscal year

FY28-FY31: \$16,435 each fiscal year

Total Costs:

FY26: \$42,433

FY27: \$45,733

FY28-FY31: \$69,389 each fiscal year

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	42,433	45,733	88,166	138,778	138,778
Total \$			42,433	45,733	88,166	138,778	138,778

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.3	0.3	0.3	0.5	0.5
A-Salaries and Wages	21,877	21,877	43,754	72,924	72,924
B-Employee Benefits	8,095	8,095	16,190	26,984	26,984
C-Professional Service Contracts					
E-Goods and Other Services	2,300	5,600	7,900	5,000	5,000
G-Travel	300	300	600	1,000	1,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	9,861	9,861	19,722	32,870	32,870
9-					
Total \$	42,433	45,733	88,166	138,778	138,778

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
Commerce Specialist 2	72,924	0.3	0.3	0.3	0.5	0.5
Total FTEs		0.3	0.3	0.3	0.5	0.5

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Local Government Division (600)	42,433	45,733	88,166	138,778	138,778
Total \$	42,433	45,733	88,166	138,778	138,778

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: 1353 S HB

Title: ADU self-certification

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

Legislation Impacts:

- Cities:
- Counties:
- Special Districts:
- Specific jurisdictions only:
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option: Cities planning under the Growth Management Act could establish an accessory dwelling unit self-certification program
- Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 02/17/2025
Leg. Committee Contact: Kellen Wright	Phone: 360-786-7134	Date: 02/13/2025
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/17/2025
OFM Review: Marie Davis	Phone: (360) 890-1163	Date: 02/23/2025

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 1353, 2025 legislative session. The amendments to this bill are compared to the original version of HB 1353.

CHANGES FROM PRIOR BILL VERSION:

Amends the minimum number of random permit applications that must be audited each year to a minimum of 20% or five applications, whichever is fewer.

SUMMARY OF CURRENT BILL:

This proposed substitute legislation would authorize cities planning under the Growth Management Act (GMA) to establish an accessory dwelling unit (ADU) self-certification program that allows registered architects to certify compliance with building code requirements for these units. ADU building permits with this self-certification would be in compliance with applicable building codes and could be considered procedurally complete. Additionally, a permit issued after permit review with the self-certified component must be viewed as a permit issued after full project permit review.

Sec. 1 Cities that plan under the GMA may establish self-certification programs for registered architects to certify ADU permits applications as compliant with applicable building code requirements. Requirements for the self-certification program include minimum randomized annual audits of the self-certified applications, required enforcement and compliance pathways for architects enrolled in the program that fail audits, and annual reporting requirements for cities that adopt the self-certification program.

This act would take effect 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.

CHANGES FROM PRIOR BILL VERSION:

The amendments made to the prior bill version make changes to the optional program that cities planning under the Growth Management Act could take as a local option. It would increase the number of minimum randomized permits that would need to be reviewed compared to the prior act, which would increase permit review costs for jurisdictions that took the local option.

EXPENDITURE IMPACT OF CURRENT BILL:

This proposed substitute legislation would provide cities planning under the Growth Management Act (GMA) with a local option to establish an accessory dwelling unit (ADU) self-certification program. Concurrent requirements for actions such as program adoption, annual auditing, and annual reporting would be tied to discretionary actions. Because these measures would be elective, they would not create a local government expenditure impact.

For Cities that Take the Local Option:

If a city took the local option, there would be costs associated with adopting the self-certification program into local code, staffing requirements for annual audits of random and nonrandom permit applications, and reporting requirements to the Department of Commerce.

Adopting programs through local ordinances:

These program start-up costs may have similar to those required to adopt a complex ordinance with a hearing of the same complexity. The Local Government Fiscal Note Program Unit Cost Model (2025) estimates that the costs to adopt a complex ordinance would start at \$10,550 for each city that takes the local option.

For this work: A city planner would draft the ADU self-certification code amendments, reviewed by the planning team, managers, director, and county attorney(s). Four staff reports would be prepared and reviewed by planning staff, with two sent to the city council, which would require additional review by the county administrator. Administrative staff would handle advertisements, meeting packets/agendas, and meeting minutes for at least two planning commission and two council meetings, which includes one public hearing. Meetings would be staffed by a planner, clerk, attorney, and the planning director, as well as the full city council. This work would likely combine the ADU self-certification and the new or amended enforcement mechanisms for compliance with requirements of this act.

Staffing requirements:

Each city that adopts a self-certification program would have staffing requirements for annual audits of at least 5% permit applications, as well as the potential to make inspections of the final build and enforcement of any deviation from the permit. Depending on the number of self-certified ADUs constructed there may be minimal staff requirements or there could be significant staffing involved to conduct this work if volume is high.

Reporting requirements:

Annual reporting is required by any city that adopts the ADU self-certification program. The report must include the number of self-certified applications submitted and approved. Average processing times for self-certified and those that are not self-certified, and the audit results. For most cities, adding a new permit tracking category for ADU self-certified permit details could be added to existing permit processing records with little cost. There may be minor administrative and programmatic work to complete the report for the Department of Commerce, which could depend on how much detail is required. Cities that take the local option are also required to report architects that are penalized for failing an audit to the Department of Commerce so that this information can be included in a database for participating architects who have been penalized under the program's audit requirements.

Legal exposure:

The standardized self-certification form that would be developed by the Department of Commerce must include indemnity language that holds the city and its self-certification program harmless for compliance issues.

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.

CHANGES FROM PRIOR BILL VERSION:

The amendments made to this substitute act do not change the impact associated with the prior bill version.

REVENUE IMPACT OF CURRENT BILL:

This act would not impact local government revenues.

SOURCE:

- Association of Washington Cities, Salary Survey (2024)
- Local Government Fiscal Note Program, FN 2746 (2020)
- Local Government Fiscal Note Program, FN 1337 HB (2023)
- Local Government Fiscal Note Program, Unit Cost Model (2025)
- Municipal Research and Services Center, Building Codes and Permits