Multiple Agency Fiscal Note Summary

Bill Number: 1217 S HB	**Title:** Residential tenants

Estimated Cash Receipts

NONE

Agency Name	2025-27		2027-29		2029-31	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts	Fiscal note not available					
Loc School dist-SPI						
Local Gov. Other						
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
Administrative Office of the Courts	Fiscal note not available											
Office of Attorney General	Fiscal note not available											
Department of Commerce	.4	504,366	504,366	504,366	.2	68,207	68,207	68,207	.0	0	0	0
Total $	**0.4**	**504,366**	**504,366**	**504,366**	**0.2**	**68,207**	**68,207**	**68,207**	**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	Fiscal note not available								
Loc School dist-SPI									
Local Gov. Other			1,808						
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			1,808						

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	Fiscal note not available								
Office of Attorney General	Fiscal note not available								
Department of Commerce	.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	Fiscal note not available								
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

Prepared by: Val Terre, OFM	**Phone:** (360) 280-3073	**Date Published:** Preliminary 2/27/2025

Individual State Agency Fiscal Note

Bill Number: 1217 S HB	Title: Residential tenants	Agency: 103-Department of Commerce

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	0.5	0.4	0.4	0.2	0.0
Account					
General Fund-State 001-1	286,159	218,207	504,366	68,207	0
Total $	286,159	218,207	504,366	68,207	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:

☒ 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:	Jessica Van Horne	Phone: 360-786-7288	Date: 01/24/2025
Agency Preparation:	Paul Bitar	Phone: 3607014882	Date: 01/28/2025
Agency Approval:	Paul Bitar	Phone: 3607014882	Date: 01/28/2025
OFM Review:	Marie Davis	Phone: (360) 890-1163	Date: 02/02/2025

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 substitute version of HB 1217 is identical to the original version, with the exception that the substitute version fixes a date applicable to the Office of the Attorney General under Section 105(2)(d). The change in the substitute does not affect Commerce's original estimate of the costs of this bill.

Section 105- The bill requires The Department of Commerce (Department) to establish an online landlord resource portal that hosts resources from two Department programs: the Landlord Mitigation Program (RCW 43.31.605) and the Low-Income Residential Weatherization Program (Chapter 70A.35). The portal would host additional resources from other agencies.

Designing, launching, and maintaining the landlord resource portal would have a fiscal impact.

Sec. 303- The Bill requires the Department contract with a third-party to conduct a Social Vulnerability Impact assessment, measuring the following consequences of the bill: measuring impacts to existing tenancies, measuring impacts to the social vulnerability of immutable characteristic subpopulations and/or housing cost-burdened subpopulations, evaluating impacts on new or transitioning renters due to the bill's rent caps, assessing impacts on other rental markets such as short-term or vacation rentals, and evaluating impacts on state-owned or state-funded or state-run housing units.

Staffing and procurement for this project and contracting for third-party services would have a fiscal impact.

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.

No cash receipts.

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.

Sec. 105- Requires the landlord resource portal be implemented. Analysis assumes that it will be hosted on The Department of Commerce's (Department) existing website within the existing page hierarchy.

Design and implementation of portal

FY26- 0.10 FTE Commerce Specialist 4
FY27- FY31 No impact

Maintenance of portal

FY26-FY31 No impact

Sec. 303- Requires the Department to contract with a third-party for the Social Vulnerability Assessment. Requires submission of the assessment by December 1, 2027. Analysis assumes that no budget appropriations will be provided to cover the expense of the Social Vulnerability Assessment based on bill as written.

Project management of the Social Vulnerability Assessment

FY26-FY28 0.25 Management Analyst 4
FY26-FY28 0.10 WMS3
FY29-FY31 No impact

Estimated procurement cost based on bill's requirements

The Department is unsure whether the timeline for the study due date will allow for meaningful data analysis to determine the impacts of the bill. Variables include deliverables in the study and required consultant hours. For illustrative purposes, the Department identified a recent consultant contract with a comparable scope and timeframe and adjusted it based on inflationary factors. The best estimate is $300,000 - $350,000. However, the exact cost is indeterminate.

Cost Narrative

0.10 FTE Commerce Specialist 4 (209 hours) for FY26 to help design, test, and implement the creation of the new portal to be incorporated into the existing website for the Department of Commerce.
0.25 FTE Management Analyst 4 (522 hours) for FY26 through FY28 to implement and oversee the contract with a third party for the Social Vulnerability Assessment.
0.10 FTE WMS Band 3 (209 hours) for FY26 through FY28 to monitor the progress and review the results of the Social Vulnerability Assessment.

Salaries and Benefits:
FY26: $59,638
FY27-FY28: $47,786

Professional Service Contracts:
FY26: $200,000
FY27: $150,000

Goods and Other Services:
FY26: $6,450
FY27-FY28: $4,350

Travel:
FY26- $450
FY27-FY28: $350

Intra-agency Reimbursements:
FY26: $19,621
FY27-FY28: $15,721

Note: Standard goods and services costs include supplies and materials, employee development and training. Attorney General costs, and agency administration. Intra-agency administration Reimbursement-Agency administrations costs (e.g., payroll, HR, IT are funded under a federally approved cost allocation plan.

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Summary of Total Costs:

FY26: $286,159
FY27: $218,207
FY28: $68,207

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	286,159	218,207	504,366	68,207	0
		Total $	286,159	218,207	504,366	68,207	0

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.5	0.4	0.4	0.2	
A-Salaries and Wages	45,329	36,450	81,779	36,450	
B-Employee Benefits	14,309	11,336	25,645	11,336	
C-Professional Service Contracts	200,000	150,000	350,000		
E-Goods and Other Services	6,450	4,350	10,800	4,350	
G-Travel	450	350	800	350	
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	19,621	15,721	35,342	15,721	
9-					
Total $	286,159	218,207	504,366	68,207	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
Commerce Specialist 4	88,794	0.1		0.1		
Management Analyst 4	88,794	0.3	0.3	0.3	0.1	
WMS Band 3	142,511	0.1	0.1	0.1	0.1	
Total FTEs		0.5	0.4	0.4	0.2	0.0

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Housing Division (400)	286,159	218,207	504,366	68,207	
Total $	286,159	218,207	504,366	68,207	

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

No impact.

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: 1217 S HB	**Title:** Residential tenants

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

Legislation Impacts:

[X] Cities: Cities that currently regulate tenancies at the local level would need to amend their codes, if in conflict.

[ ] Counties:

[ ] Special Districts:

[X] Specific jurisdictions only: Seattle, Auburn, Burien, Tacoma, and Olympia

[ ] Variance occurs due to:

Part II: Estimates

[ ] No fiscal impacts.

[X] Expenditures represent one-time costs: Ordinance adoption and accompanying analysis.

[X] Legislation provides local option: Local governments have the option to adopt policies, ordinances, or other regulations to enforce this act.

[X] Key variables cannot be estimated with certainty at this time: The number of local governments that will adopt rent stabilization ordinances.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Jurisdiction	FY 2026	FY 2027	2025-27	2027-29	2029-31
City	1,808		1,808		
TOTAL $	1,808		1,808		
GRAND TOTAL $					1,808

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: Kristine Williams	Phone: (564) 250-5931	Date: 01/27/2025
Leg. Committee Contact: Jessica Van Horne	Phone: 360-786-7288	Date: 01/24/2025
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 01/27/2025
OFM Review: Marie Davis	Phone: (360) 890-1163	Date: 02/02/2025

Part IV: Analysis

A. SUMMARY OF BILL

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

This note is on 1217 SHB and compares it to 1217 HB.

CHANGES BETWEEN THIS VERSION AND THE PRIOR VERSION OF THE BILL:

This version of the bill extends the deadline for the Office of the Attorney General to publish the first version of model lease provisions (regarding rent and fee increases) from January 1, 2025, to January 1, 2026.

This change does not affect the fiscal impacts discussed below.

SUMMARY OF CURRENT BILL:

This bill establishes rent stabilization policies in the state of Washington. These policies would limit rent, and fee increases to seven percent during any 12-month period and prohibits rent and fee increases during the first 12 months of a tenancy for tenants subject to the Residential Landlord-Tenant Act and the Manufactured/Mobile Home Landlord-Tenant Act with certain exemptions for public housing authorities, public development authorities, and certain nonprofit entities described in Sec. 102. A local government may adopt policies, ordinances, or other regulations to enforce the bill.

Sec. 301 contains an emergency clause which takes effect immediately.

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 legislation provides cities and counties an option to adopt policies, ordinances, or other regulations to enforce the legislation. Currently, there are five cities that regulate tenancies: Seattle, Auburn, Burien, Tacoma, and Olympia. These cities will need to review their codes to determine if they are in conflict with the legislation. The Local Government Fiscal Note Program's (LGFN) cost model estimates the average professional compensation at the local level to be $72.33 per hour, including benefits and overhead. Costs to local governments would depend upon the staff time required for each affected local government to review their code. For illustrative purposes, the city of Olympia estimates city staff would need up to 5 hours for code review at a total cost of $1,808.25 as follows:

$72.33 x 5 hours x 5 cities = $1,808.25

Additional staff costs would be required if the code needed to be amended as follows:

The typical cost to adopt an ordinance per jurisdiction ranges from $675 for a simple ordinance to $6,775 for a complex ordinance. These costs include costs for draft ordinances, advisory commission meeting and recommendation, finalized ordinance, publication of ordinance, and general public information. The LGFN program has determined this ordinance to be complex. However, since there is currently no requirement to adopt new ordinances under this legislation, these costs are speculative and indeterminate for those jurisdictions that do not currently regulate tenancies.

Note: These cost estimates are for only one meeting or staff report, more complex ordinances would likely require more meetings and potentially more staff reports. There would be further costs associated with enforcing or executing the ordinance. These costs are indeterminate.

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 not impact local government revenues.

SOURCES
Association of Washington Cities (AWC)
City of Olympia
Local Government Fiscal Note Program (LGFN) 2025 Unit Cost Model
Municipal Research and Services Center (MRSC)
Washington State Association of Counties (WSAC)
Local Government fiscal note 1217 HB (2025)