

Multiple Agency Fiscal Note Summary

Bill Number: 5725 S SB	Title: Housing on college lands
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Estimated Cash Receipts

Agency Name	2025-27			2027-29			2029-31		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of Attorney General	0	0	106,000	0	0	194,000	0	0	194,000
Department of Revenue	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Community and Technical College System	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	106,000	0	0	194,000	0	0	194,000

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
Joint Legislative Audit and Review Committee	.0	0	0	15,100	.0	0	0	10,200	.0	0	0	10,200
Office of State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Attorney General	.3	0	0	106,000	.3	0	0	194,000	.3	0	0	194,000
Office of Financial Management	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Revenue	.0	6,200	6,200	6,200	.0	0	0	0	.0	0	0	0
Department of Enterprise Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Community and Technical College System	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Total \$	0.3	6,200	6,200	127,300	0.3	0	0	204,200	0.3	0	0	204,200

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
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
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Department of Enterprise Services	.0	0	0	.0	0	0	.0	0	0
Community and Technical College System	.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	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Ramona Nabors, OFM	Phone: (360) 742-8948	Date Published: Final 3/11/2025
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Individual State Agency Fiscal Note

Bill Number: 5725 S SB	Title: Housing on college lands	Agency: 014-Joint Legislative Audit and Review Committee
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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
Account					
Performance Audits of Government Account-State 553-1	10,000	5,100	15,100	10,200	10,200
Total \$	10,000	5,100	15,100	10,200	10,200

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: Melissa Van Gorkom	Phone: 360-786-7491	Date: 02/21/2025
Agency Preparation: Aaron Cavin	Phone: 360-786-5194	Date: 02/25/2025
Agency Approval: Eric Thomas	Phone: 360 786-5182	Date: 02/25/2025
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 02/27/2025

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.

SB S 5725 creates a new leasehold excise tax exemption for leases of underutilized community college land used to place low- and moderate-income housing.

The bill does not specify an effective date. JLARC staff assume the preference takes effect July 26, 2025, 90 days after the end of the legislative session.

There is no expiration date, and the tax preference is exempt from expiration date requirements.

Tax Preference Performance Statement Details

- The Legislature categorizes the preference as one intended to induce certain designated behavior by taxpayers.
- The Legislature’s policy objective is to incentivize the placement of affordable housing on underutilized community and technical college land.
- The Legislature intends to continue the tax preference if JLARC’s review finds an increase in the number of affordable housing units placed on underutilized community and technical college land.

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.

After the bill is signed, JLARC staff will work with the Department of Revenue and relevant agencies to identify the data JLARC staff will need to complete the evaluation.

JLARC anticipates it will review this preference in 2035. This is outside the range of this fiscal note. As a result, the fiscal note reflects the costs to prepare for the future review (e.g., establishing data collection). It does not include the costs of performing the full review.

JLARC assumes the cost to complete the audit will be only staff costs. JLARC estimates this audit will take 14 months and require an average of 0.1 FTEs per month. This equates to total staff costs of about \$35,500.

JLARC assumes that the office will absorb the staff costs of this tax preference review in our base budget. However, if the workload of other tax preference legislation exceeds our staffing levels and/or our base budget, we will require additional staffing resources equal to the costs shown above.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
553-1	Performance Audits of Government Account	State	10,000	5,100	15,100	10,200	10,200
Total \$			10,000	5,100	15,100	10,200	10,200

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years					
A-Salaries and Wages	6,500	3,300	9,800	6,600	6,600
B-Employee Benefits	2,100	1,000	3,100	2,000	2,000
C-Professional Service Contracts					
E-Goods and Other Services	1,300	700	2,000	1,400	1,400
G-Travel	100	100	200	200	200
J-Capital Outlays					
Total \$	10,000	5,100	15,100	10,200	10,200

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
Research Analyst	139,776					
Support staff	110,556					
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

Bill Number: 5725 S SB	Title: Housing on college lands	Agency: 090-Office of State Treasurer
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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: Melissa Van Gorkom	Phone: 360-786-7491	Date: 02/21/2025
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 02/23/2025
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 02/23/2025
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 03/06/2025

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.

SSB 5725 expands affordable housing opportunities on community and technical college lands.

There is no office of the state treasurer 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.

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.

Individual State Agency Fiscal Note

Bill Number: 5725 S SB	Title: Housing on college lands	Agency: 100-Office of Attorney General
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
Legal Services Revolving Account-State 405-1	9,000	97,000	106,000	194,000	194,000
Total \$	9,000	97,000	106,000	194,000	194,000

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.3	0.3	0.3	0.3	0.3
Account					
Legal Services Revolving Account-State 405-1	9,000	97,000	106,000	194,000	194,000
Total \$	9,000	97,000	106,000	194,000	194,000

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: Melissa Van Gorkom	Phone: 360-786-7491	Date: 02/21/2025
Agency Preparation: Dan Jensen	Phone: 360-664-9429	Date: 02/26/2025
Agency Approval: Leah Snow	Phone: 360-586-2104	Date: 02/26/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 03/03/2025

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.

Section 1: New Section. Legislative findings.

Section 2: Amends RCW 28B.50.090 to remove some requirements from the statewide strategic master plan. Gives the College Board the authority to transfer, lease, or otherwise convey community and technical college property for affordable housing or to a nonprofit corporation if they agree to use the property for the provision of affordable housing or other community purpose.

Section 3: New Section. Gives the College Board the authority to enter into long-term leases for the development of affordable housing on underutilized community and technical college land. Includes restrictions on those leases, gives authority for the College Board to reclaim the land, gives leaseback authority to College Board, and provide other provisions related to use of the land. Leases have to be for at least 50 years and provides additional powers.

Section 4: Amends RCW 43.17.400 to exempt community and technical colleges providing affordable housing from the requirements of that statute.

Section 5: New Section. Adds a section to RCW 82.29A to exclude leasehold interests in underutilized community and technical college land used for affordable housing from the leasehold excise tax.

Section 6: New Section. Adds a tax preference performance statement for the exemption in Section 5.

Section 7: New Section. RCW 82.32.805 does not apply to this act.

This bill is assumed effective 90 days after the end of the 2025 legislative 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.

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is the State Board of Community and Technical Colleges (SBCTC). The Attorney General’s Office (AGO) will bill all clients for legal services rendered.

These cash receipts represent the AGO’s authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agency’s fiscal note. Appropriation authority is necessary in the AGO budget.

AGO AGENCY ASSUMPTIONS:

SBCTC will be billed for non-King County rates:
FY 2026: \$9,000 for 0.1 Assistant Attorney General FTE (AAG) and 0.1 Paralegal 1 FTE (PL1)
FY 2027 and in each FY thereafter: \$97,000 for 0.1 AAG and 0.1 PL1, which includes Special Assistant Attorney General (SAAG) costs of \$75,000

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.

Attorney General's Office (AGO) Agency Assumptions:

This bill is assumed effective 90 days after the end of the 2025 legislative session.

Location of staffing is assumed to be in a King County and/or non-King County office building.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 FTE (MA) is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 Paralegal 1 FTE (PL1) and 0.4 MA.

1. Assumptions for the AGO Education Division's (EDU) Legal Services for the State Board of Community and Technical Colleges (SBCTC).

The AGO will bill SBCTC for legal services based on the enactment of this bill.

EDU assumes that there will be three affordable housing projects commenced one each during the three years following enactment of the bill requiring the following: 60 hours of AAG advice within the first 6 months after the bill becomes effective in order to analyze the requirements and obligations and review policies, guidance, and possibly rules. Based on experience each project is expected to take two to three years during which legal advice in a number of highly complex areas associated with affordable housing construction would be provided by an AAG in conjunction with a Special Assistant Attorney General (SAAG). Based on a current SAAG contact for affordable housing EDU assumes it will cost \$75,000 in each FY for the SAAG and associated advice for each project and around 140 hours of AAG time per year which is an average figure assuming that after the first year there will be multiple projects in varying stages.

EDU: Total workload hours:

FY 2026: 60 AAG hours

FY 2027 and in each FY thereafter: 140 AAG hours

EDU: Total non-King County workload impact:

FY 2026: \$9,000 for 0.1 AAG and 0.1 PL1

FY 2027 and in each FY thereafter: \$97,000 for 0.1 AAG and 0.1 PL1, which includes SAAG costs of \$75,000.

2. The AGO Agriculture & Health Division (AHD) has reviewed this bill and determined it will not increase or decrease the division's workload in representing the Department of Commerce (Commerce). Commerce would not be given any new authorities or responsibilities under this bill; therefore, no costs are included in this request.

3. The AGO Revenue Division (REV) has reviewed this bill and determined it will not significantly increase or decrease the division's workload in representing the Department of Revenue (DOR). This bill creates a leasehold excise tax exemption. While this may create some additional work, such as reviewing an administrative rule, REV does not anticipate that work will be significant. REV assumes 10 hours of work to the DOR to help them implement this bill, including rule review. While this bill also may impact two other clients, the Office of State Treasurer (OST) and the Office of Financial Management (OFM), REV does not anticipate those agencies needing additional legal services as a result of this bill. New legal services are nominal, and costs are not included in this request.

4. The AGO Transportation and Public Construction Division (TPC) has reviewed this bill and determined it will not

increase or decrease the division’s workload in representing the Department of Enterprise Services (DES). This bill increases colleges’ authority to conduct certain real estate transactions that are presently conducted by DES for the colleges. Therefore, no costs are included in this request.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
405-1	Legal Services Revolving Account	State	9,000	97,000	106,000	194,000	194,000
Total \$			9,000	97,000	106,000	194,000	194,000

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	0.3	0.3
A-Salaries and Wages	6,000	15,000	21,000	30,000	30,000
B-Employee Benefits	2,000	5,000	7,000	10,000	10,000
C-Professional Service Contracts		75,000	75,000	150,000	150,000
E-Goods and Other Services	1,000	2,000	3,000	4,000	4,000
Total \$	9,000	97,000	106,000	194,000	194,000

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 2026	FY 2027	2025-27	2027-29	2029-31
Assistant Attorney General	132,912	0.1	0.1	0.1	0.1	0.1
Management Analyst 5	98,040	0.1	0.1	0.1	0.1	0.1
Paralegal 1	71,148	0.1	0.1	0.1	0.1	0.1
Total FTEs		0.3	0.3	0.3	0.3	0.3

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Education Division (EDU)	9,000	97,000	106,000	194,000	194,000
Total \$	9,000	97,000	106,000	194,000	194,000

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: 5725 S SB	Title: Housing on college lands	Agency: 105-Office of Financial Management
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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: Melissa Van Gorkom	Phone: 360-786-7491	Date: 02/21/2025
Agency Preparation: Keith Thunstedt	Phone: 360-810-1271	Date: 02/27/2025
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 02/27/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 02/27/2025

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 changes included in the substitute version did not change OFM's fiscal impact assumptions from the previous version.

S SB 5725:

Section 2 (4) removes the requirement for the State Board for Community and Technical Colleges to include implementation of the statewide strategic master plan for higher education under RCW 28B.76.200 when preparing a comprehensive master plan for the development of community and technical college education and training in the state.

The requirement for the board to assist OFM in preparing enrollment projections to support plans for providing adequate college facilities statewide remains unchanged. There is no fiscal impact to OFM.

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.

Department of Revenue Fiscal Note

Bill Number: 5725 S SB	Title: Housing on college lands	Agency: 140-Department of Revenue
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

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

Estimated Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.1		0.0		
Account					
GF-STATE-State 001-1	6,200		6,200		
Total \$	6,200		6,200		

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: Melissa Van Gorkom	Phone: (360) 786-7491	Date: 02/21/2025
Agency Preparation: Erikka Ferrara	Phone: (360) 534-1517	Date: 02/26/2025
Agency Approval: Marianne McIntosh	Phone: (360) 534-1505	Date: 02/26/2025
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 03/06/2025

Request # 5725-2-1

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 language in SSB 5725, 2025 Legislative Session.

This fiscal note addresses sections 5 through 7 of the bill, which impacts the Department of Revenue (department).

COMPARISON OF ORIGINAL BILL WITH SUBSTITUTE BILL:

The substitute bill revises section 5 in the original bill for the leasehold excise tax (LET) exemption by removing the requirement for a lessee's commitment of renting or selling 100% of units as "permanently" affordable for low-income and moderate-income households. A lessee is now required to commit to renting or selling 100% of the units as affordable for low-income and moderate-income households "during the lease term."

CURRENT LAW:

A private entity leasing government-owned property pays LET. The private entity pays LET on the lease or use of publicly owned exempt property in lieu of property tax.

PROPOSAL:

This bill creates a LET exemption for leasehold interests in underutilized community and technical college lands used for the placement of affordable housing if:

- The lessee commits to renting or selling 100% of the units as affordable for low-income and moderate-income households during the lease term.
- The term of the lease must be at least 99 years.

The lessee and community and technical colleges must also prioritize affordable housing for low-income households when receiving the LET exemption.

The bill also generally requires any land leased for affordable housing to include restrictive covenants to prevent future conversion to uses other than affordable housing.

The bill provides definitions as follows:

- Affordable housing means residential housing that is rented by a person or household whose monthly housing costs do not exceed 30% of the household's monthly income.
- Low-income household means a single person, family, or unrelated persons living together whose adjusted income is at or below 80% of the median family income for the county, city, or metropolitan statistical area where the project is located.
- Moderate-income household means a single person, family, or unrelated persons living together whose adjusted income is more than 80% but at or below 115% of the median family income for the county, city, or metropolitan statistical area where the project is located.

EFFECTIVE DATE:

This 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.

The revenue impact of this bill is indeterminate. It is unknown which community and technical colleges will lease land to build affordable housing.

Request # 5725-2-1

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 incur total costs of \$6,200 in fiscal year 2026. These costs include:

Labor Costs – Time and effort equate to 0.07 FTE.

- Set up, program, and test computer systems for a new leasehold letter or web request.
- Amend one administrative rule.

Object Costs - \$2,300.

- Contract computer system programming.

SECOND YEAR COSTS:

The department will not incur any costs in fiscal year 2027.

ONGOING COSTS:

There are no ongoing costs.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.1		0.0		
A-Salaries and Wages	2,600		2,600		
B-Employee Benefits	900		900		
C-Professional Service Contracts	2,300		2,300		
E-Goods and Other Services	300		300		
J-Capital Outlays	100		100		
Total \$	\$6,200		\$6,200		

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 2026	FY 2027	2025-27	2027-29	2029-31
EMS BAND 4	135,635	0.0		0.0		
MGMT ANALYST4	78,468	0.0		0.0		
TAX POLICY SP 2	80,460	0.0		0.0		
TAX POLICY SP 3	91,068	0.0		0.0		
TAX POLICY SP 4	98,040	0.0		0.0		
WMS BAND 3	115,352	0.0		0.0		
Total FTEs		0.1		0.1		

III. C - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Request # 5725-2-1

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

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Should this legislation become law, the department will use the expedited rulemaking process to amend WAC 458-29A-400, titled: "Leasehold excise tax-Exemptions." This rulemaking would affect certain underutilized community college and technical college lands used for affordable housing.

Individual State Agency Fiscal Note

Bill Number: 5725 S SB	Title: Housing on college lands	Agency: 179-Department of Enterprise Services
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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: Melissa Van Gorkom	Phone: 360-786-7491	Date: 02/21/2025
Agency Preparation: John Iyall	Phone: (360) 480-9314	Date: 02/25/2025
Agency Approval: Jessica Goodwin	Phone: (360) 819-3719	Date: 02/25/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 02/26/2025

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.

This substitute further directs colleges to sell or lease property at less than fair market value for public purpose such as affordable housing. The substitute moves away from a directive of "up to 99 years" to "at least 50 years" to enable the development of affordable housing on underutilized land. The changes made do not impact the Department of Enterprise Services fiscal assumptions.

Section 1 declares the legislative intent to increase the supply of housing and to expand affordable housing on underutilized land at community and technical colleges within Washington.

Section 2 amends RCW 28B.50.090 section (4) striking language associated with expired RCW references.

Section 2 amends RCW 28b.50.090 (13), adding language which directs colleges to sell or lease property at less than fair market value for public purpose such as affordable housing.

Section 3 adds a new section to 28B.50 RCW authorizing the college board to authorizes college to enter into long-term leases for at least 50 years to enable the development of affordable housing on underutilized land.

Section 4 amends RCW 43.17.400 disposition of state-owned land, so that the requirements to notify state agencies, federal agencies, governing authorities and federally recognized Indian tribes does not apply to community or technical colleges providing affordable housing.

Section 5 adds a new section to 82.29A, leasehold excise tax, exempts all leasehold interests in underutilized community and technical college lands from excise tax requirements.

Section 6 adds a new section to RCW 82.32.808 (2), after review by the joint legislative audit and review committee, extending the expiration date of the tax preference.

Section 7 adds a new section to RCW 82.32.805, tax preferences, exempts all leasehold interests in underutilized community and technical college lands from tax preferences requirements.

This bill authorizes the State Board for Community and Technical Colleges to enter into long-term leases for development of affordable housing on underutilized community and technical college (CTC) land and creates a leasehold excise tax exemption when underutilized CTC lands are used for the placement of affordable housing. The bill specifically grants authority to the CTC on all real estate activity related to affordable housing. This bill would not impact the Department of Enterprise Services, Real Estate Services because CTC is authorized to conduct all real estate transactions related to affordable housing. The amendments to RCW 28B.50.090 and 43.17.400 do not impact the Department of Enterprise Services, Real Estate Services. The new sections to RCW 82.29A do not impact the Department of Enterprise Services, Real Estate Services.

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.

Individual State Agency Fiscal Note

Bill Number: 5725 S SB	Title: Housing on college lands	Agency: 699-Community and Technica College System
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

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

Estimated Operating Expenditures from:

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

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: Melissa Van Gorkom	Phone: 360-786-7491	Date: 02/21/2025
Agency Preparation: Darrell Jennings	Phone: 360-704-4382	Date: 02/26/2025
Agency Approval: Stephanie Winner	Phone: 360-704-1023	Date: 02/26/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/04/2025

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 the bill differs from the original in the following ways:

Sec. 2(13)

- Adds subsection (b) to further defines property conveyance methods to add "lease, transfer, assign, pledge, or dispose of" for a public purpose, such as affordable housing, or to a nonprofit corporation agreeing to use the property for affordable housing, or another community purpose for at least 50 years.

Sec. 3:

- Changes the allowable length of the long-term lease from 99 years to 50 years.
- More clearly defines the shared use of parking, roads, and utility connections with affordable housing developers. Allows for colleges to charge a fee for use.
- If the State Board sells underutilized property for affordable housing and the property is not compliant with the covenant, the State Board can enforce covenant or repurchase the property for the original sales prices less any costs of enforcing the covenant.

This bill intends to expand affordable housing opportunities on community and technical college lands.

Sec 2(4): Removes master plan implementation requirement reference to law repealed in 2010 when Higher Education Coordinating Board was dissolved.

Sec. 2(13): Adds subsection (b) to further defines property conveyance methods to add "lease, transfer, assign, pledge, or dispose of" for a public purpose, such as affordable housing, or to a nonprofit corporation agreeing to use the property for affordable housing, or another community purpose for at least 50 years.

Sec 3: Adds new section that:

- permits the State Board to enter into long-term leases for at least 50 years for the development of affordable housing on underutilized CTC land, consistent with RCW 39.33.015.
- allows community and technical colleges to pledge or grant land used for affordable housing as security for loans to support additional affordable housing projects on underutilized CTC land.
- requires a restrictive covenant to prevent conversion to market rate housing or commercial use. Permits the
- allows college to repurchase the land if the low income housing project fails to secure financing and does not commence construction within 4 years of lease approval.
- clarifies that the college may share parking, roads and utility connections with affordable housing developer and may charge reasonable fees for such uses.
- allows college to lease back space from developers in facilities constructed on community and technical college property and gives the college the first right of refusal to re-purchase unused portions of the property at fair market value.
- If the State Board sells underutilized property for affordable housing and the property is not compliant with the covenant, the State Board can enforce covenant or repurchase the property for the original sales prices less any costs of enforcing the covenant.

Sec 4: exempts community and technical colleges from following the property disposal requirements in RCW 43.17.400 if disposing for affordable housing.

Sec 5: Exempts leasehold interests in underutilized community and technical college land from taxes if used for affordable

housing under a 99-year lease and requires all units must be permanently affordable for low- and moderate-income households, with priority given to low-income housing. Definitions align with RCW 84.14.010.

Sec 6: Establishes a tax preference performance statement for a tax exemption on leasehold interests in underutilized community and technical college land used for affordable housing. It aims to incentivize such development and does not create a private right of action. If a legislative review finds an increase in affordable housing units, the tax preference may be extended. Data for review will come from new leasehold agreements.

Sec 7: Clarifies that RCW 82.32.805 does not apply to this bill.

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.

Leasing or selling underutilized college board land at community and technical colleges could result in cash received by the affected college. It would be dependent on several unpredictable variables including conveyance method, size of property, market conditions, location, etc. However, RCW 39.33.015 allows transfer, lease or disposals, including sales, made to a public, private, or non-governmental body on any mutually agreeable terms and conditions, including no cost transfers. Therefore, cash receipts are indeterminate depending upon the circumstances of each specific transfer.

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.

Each property evaluation and conveyance will be unique. Based on a recent property sale of college system property for affordable housing, it is estimated that between college and State Board staff it would take approximately 350 staff hours to evaluate and identify property, establish legal description and segregate the property into a separate parcel, negotiate and develop conveyance documents, and execute the transaction.

300 hours x \$115/hour (salary and benefits) college staff time = \$34,500 for each transaction
50 hours x \$88/hour (salary and benefits) state board staff time = \$4,400 for each transaction

Property conveyance by lease will require ongoing lease maintenance and monitoring to ensure lease conditions and responsibilities are upheld.

Annual lease monitoring and maintenance = 15 hours x \$115/hour = \$1,725 for each transaction

It is unknown how many colleges and Boards of Trustee’s will identify underutilized property and be able to lease long term or sell for affordable housing.

In addition to associated fees and costs of required documentation, colleges and State Board will utilize Attorney General legal services and Department of Enterprise Services Real Estate Services, as needed, at an indeterminate cost to the college and State Board.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.
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III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.
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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: 5725 S SB

Title: Housing on college lands

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:
- ☐ 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: Angie Hong	Phone: 360-725-5041	Date: 02/27/2025
Leg. Committee Contact: Melissa Van Gorkom	Phone: 360-786-7491	Date: 02/21/2025
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/27/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/04/2025

Part IV: Analysis

A. SUMMARY OF BILL

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

CHANGES FROM PREVIOUS BILL VERSION

The substitute bill removes the requirement for a lessee's commitment of renting or selling 100% of units and replaces it with the requirement to "commit to renting or selling 100% of the units as affordable for low-income and moderate-income households.

SUMMARY OF CURRENT BILL VERSION

This bill creates a leasehold excise tax exemption for leasehold interests in underutilized community and technical college lands used for the placement of affordable housing under certain circumstances.

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 PREVIOUS BILL VERSION

This substitute bill does not alter the previous analysis of local government expenditure impact.

SUMMARY OF CURRENT BILL'S EXPENDITURE IMPACT

This bill does not impact local government expenditures.

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 PREVIOUS BILL VERSION

This substitute bill does not alter the previous analysis of local government revenue impact.

SUMMARY OF CURRENT BILL'S REVENUE IMPACT

This bill does not impact local government revenues.

SOURCES

Washington State Dept. of Revenue