

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1258 E S HB	<b>Title:</b> Regional 911 funding
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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 Revenue	1.0	261,100	261,100	261,100	.5	120,400	120,400	120,400	.4	100,200	100,200	100,200
Military Department	Fiscal note not available											
<b>Total \$</b>	<b>1.0</b>	<b>261,100</b>	<b>261,100</b>	<b>261,100</b>	<b>0.5</b>	<b>120,400</b>	<b>120,400</b>	<b>120,400</b>	<b>0.4</b>	<b>100,200</b>	<b>100,200</b>	<b>100,200</b>

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 Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Military Department	Fiscal note not available								
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

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

<b>Prepared by:</b> Megan Tudor, OFM	<b>Phone:</b> (360) 890-1722	<b>Date Published:</b> Preliminary 3/20/2025
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# Department of Revenue Fiscal Note

<b>Bill Number:</b> 1258 E S HB	<b>Title:</b> Regional 911 funding	<b>Agency:</b> 140-Department of Revenue
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.1	0.9	1.0	0.5	0.4
<b>Account</b>					
GF-STATE-State 001-1	151,600	109,500	261,100	120,400	100,200
<b>Total \$</b>	151,600	109,500	261,100	120,400	100,200

### 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:

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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.

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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: Jeffrey Mitchell	Phone: (360) 786-7438	Date: 03/14/2025
Agency Preparation: Diana Tibbetts	Phone: (360) 534-1520	Date: 03/18/2025
Agency Approval: Valerie Torres	Phone: (360) 534-1521	Date: 03/18/2025
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 03/20/2025

Request # 1258-2-1

## 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 ESHB 1258, 2025 Legislative Session.

#### COMPARISON OF ENGROSSED SUBSTITUTE BILL WITH ORIGINAL BILL:

The engrossed substitute bill changes the distribution of the tax based on apportionment. Tax distributions will be based on the formula used for the public safety sales and use taxes until the Department of Revenue (department) can source the tax revenues.

#### CURRENT LAW:

The department collects state and county 911 excise taxes from the use of switch access lines, radio access lines, interconnected voice over internet protocol service lines and purchases of prepaid wireless services. The state rate is 25 cents and county rate is 70 cents.

Proceeds collected from either the state or county excise tax must be used by the state or county for the 911 emergency communications system and its administrative and operational costs.

#### PROPOSAL:

This bill affects a county located east of the Cascade Mountains with a population between 530,000 and 1.5 million. It requires the county receiving 911 tax revenues to transfer a portion of the revenue to a local government operating a municipal public safety answering point or receiving calls transferred from the regional 911 emergency communications system.

Tax distributions will be based on the formula used for the public safety sales and use taxes until the department can apportion the tax revenues.

Public safety sales and use taxes imposed by a county are distributed as follows:

- The county receives 60%.
- Cities within the county receive 40% which is distributed by population.

The distribution formula for counties and cities both imposing the public safety sales and use taxes is different but does not apply in a county located east of the Cascade Mountains with a population between 530,000 and 1.5 million.

#### EFFECTIVE DATE:

The bill takes effect 90 days after the final adjournment of the session.

### II. B - Cash receipts Impact

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

This legislation results in no revenue impact on taxes administered by the department.

## 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.

### ASSUMPTIONS:

This bill affects 285 taxpayers.

### FIRST YEAR COSTS:

The department will incur total costs of \$151,600 in fiscal year 2026. These costs include:

Labor Costs – Time and effort equate to 1.1 FTEs.

- Process tax return work items, assist taxpayers with reporting questions and respond to inquiries via email, web message and paper correspondence.
- Examine accounts and make corrections as necessary.
- Gathering requirements, attending implementation meetings, and documenting and testing system changes.
- Respond to data requests and questions, compile statistics, and manage data.

Object Costs - \$18,700.

- Computer system changes, including contract programming.

### SECOND YEAR COSTS:

The department will incur total costs of \$109,500 in fiscal year 2027. These costs include:

Labor Costs – Time and effort equate to 0.9 FTE.

- Process tax return work items, assist taxpayers with reporting questions and respond to inquiries via email, web message and paper correspondence.
- Examine accounts and make corrections as necessary.
- Continued computer system testing, monitoring, and maintenance.
- Respond to data requests and questions, compile statistics, and manage data.

### ONGOING COSTS:

Ongoing costs for the 2027-29 biennium equal \$120,400 and include similar activities described in the second-year costs. Time and effort equate to 0.5 FTE per year.

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.1	0.9	1.0	0.5	0.4
A-Salaries and Wages	82,500	70,000	152,500	77,000	64,400
B-Employee Benefits	29,700	25,200	54,900	27,700	23,200
C-Professional Service Contracts	18,700		18,700		
E-Goods and Other Services	16,300	12,600	28,900	13,800	11,000
J-Capital Outlays	4,400	1,700	6,100	1,900	1,600
<b>Total \$</b>	<b>\$151,600</b>	<b>\$109,500</b>	<b>\$261,100</b>	<b>\$120,400</b>	<b>\$100,200</b>

**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
EXCISE TAX EX 2	59,844	0.3	0.2	0.3	0.2	0.1
EXCISE TAX EX 3	66,012	0.4	0.3	0.4	0.2	0.1
IT B A-JOURNEY	94,728	0.2	0.2	0.2	0.1	0.1
TAX POLICY SP 3	91,068	0.1	0.1	0.1		
WMS BAND 2	101,410	0.1	0.1	0.1	0.1	0.1
Total FTEs		1.1	0.9	1.0	0.5	0.4

**III. C - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**Part V: New Rule Making Required**

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

<b>Bill Number:</b> 1258 E S HB	<b>Title:</b> Regional 911 funding
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## Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

### Legislation Impacts:

- ☒ Cities: potential revenue increase from 911 tax from counties
- ☒ Counties: potential revenue decrease from 911 tax paid to cities
- ☐ Special Districts:
- ☒ Specific jurisdictions only: counties and cities operating 911 emergency communication systems
- ☐ 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: for how many calls, which counties would use the municipal 911 dispatch services

### Estimated revenue impacts to:

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

### Estimated expenditure impacts to:

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

## Part III: Preparation and Approval

Fiscal Note Analyst: Tammi Alexander	Phone: 360-725-5038	Date: 03/19/2025
Leg. Committee Contact: Jeffrey Mitchell	Phone: 360-786-7438	Date: 03/14/2025
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 03/19/2025
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 03/20/2025

## Part IV: Analysis

### A. SUMMARY OF BILL

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

Note: This fiscal note reflects language in ESHB 1258, 2025 Legislative Session. A fiscal note was not completed for the first substitute, this analysis is based on a comparison with the analysis completed for the original version.

CHANGES BETWEEN THIS ENGROSSED VERSION AND ORIGINAL BILL VERSION:

- changes the distribution of the tax based on apportionment. Tax distributions will be based on the formula used for the public safety sales and use taxes until the Department of Revenue (department) can source the tax revenues.

SUMMARY OF CURRENT BILL:

This bill requires counties located east of the crest of the Cascade mountains with a population between 530,000 and 1,500,000 receiving county 911 tax revenues to transfer a portion of the revenue to a local government operating a municipal 911 emergency communications system if the county uses the local government's dispatch services.

### 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 IN EXPENDITURE IMPACTS BETWEEN THIS ENGROSSED SUBSTITUTE VERSION AND ORIGINAL BILL VERSION:

None

EXPENDITURE IMPACTS OF CURRENT BILL:

There may be some administrative costs for the county associated with tracking, calculating, and transferring the 911 tax revenue. 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.*

CHANGES IN REVENUE IMPACTS BETWEEN THIS ENGROSSED SUBSTITUTE VERSION AND ORIGINAL BILL VERSION:

This bill changes the distribution of the tax based on apportionment. Tax distributions will be based on the formula used for the public safety sales and use taxes until the Department of Revenue (department) can source the tax revenues. However, the impact is still indeterminate.

REVENUE IMPACTS OF CURRENT BILL:

This bill would decrease county 911 tax revenue and increase city 911 tax revenue. Counties located east of the crest of the Cascade mountains with a population between 530,000 and 1,500,000 would have to pay a portion of their 911 tax to a local government operating a municipal 911 emergency communications system if the county uses the local government's dispatch services. It is unknown which counties would use a municipality's dispatch services or for how many 911 calls, therefore revenue impacts cannot be calculated.

SOURCES:

Department of Revenue fiscal note, ESHB 1258 (2025)

