

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5662 E SB	<b>Title:</b> Utility connection charges
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## Estimated Cash Receipts

NONE

## 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
Utilities and Transportation Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>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 Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Utilities and Transportation Commission	.0	0	0	.0	0	0	.0	0	0
<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

NONE

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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5662 E SB	<b>Title:</b> Utility connection charges	<b>Agency:</b> 215-Utilities and Transportation Commission
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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: Audrey Vasek	Phone: 360-786-7383	Date: 03/19/2025
Agency Preparation: Michelle Parish	Phone: 360-664-1158	Date: 03/25/2025
Agency Approval: Michelle Parish	Phone: 360-664-1158	Date: 03/25/2025
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 03/25/2025

## 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 bill authorizes funding for certain waived municipal utility connection charges, which is outside of the regulatory purview of the UTC.

### 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.*

UTC assumes no cash receipts will go to the UTC as a result of this legislation.

### 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.*

There are no assumed costs or workload issues for the UTC under the bill due to the Commission not having regulatory oversight.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

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

NONE

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

### III. D - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

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

NONE

### IV. C - Capital Budget Breakout

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

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

## **Part V: New Rule Making Required**

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

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

**Bill Number:** 5662 E SB

**Title:** Utility connection charges

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

### Legislation Impacts:

- Cities:
- Counties:
- Special Districts:
- Specific jurisdictions only: Cities and towns in Spokane County.
- Variance occurs due to:

## Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs: Costs to pass an ordinance.
- Legislation provides local option: Cities and towns in Spokane County may choose to waive utility connection charges for affordable housing projects.
- Key variables cannot be estimated with certainty at this time: The number of cities and towns that will adopt the legislation. The number and type of affordable housing projects.

### Estimated revenue impacts to:

None

### Estimated expenditure impacts to:

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

## Part III: Preparation and Approval

Fiscal Note Analyst: Kristine Williams	Phone: (564) 250-5931	Date: 03/25/2025
Leg. Committee Contact: Audrey Vasek	Phone: 360-786-7383	Date: 03/19/2025
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 03/25/2025
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 03/26/2025

## **Part IV: Analysis**

### **A. SUMMARY OF BILL**

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

This legislation amends RCW 35.92.385 to allow municipalities within a county east of the crest of the Cascade Mountains with a population greater than 500,000 to waive connection charges for certain properties including emergency shelters, transitional housing, permanent supportive housing, or affordable housing. If the property is converted to another use, the property owner must pay the applicable connection charges in effect at the time of conversion. A covenant must be recorded which addresses price restrictions and household income limits.

This legislation would take effect 90 days after adjournment of the session in which the bill 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.*

This legislation would have an indeterminate expenditure impact on local governments.

This legislation would allow cities and towns in Spokane County to waive utility connection charges for affordable housing projects. If a city or town chooses to adopt the legislation, it would need to pass an ordinance to update its municipal code. The Local Government Fiscal Note Program estimates the cost for cities to adopt a simple ordinance with a hearing of the same complexity to be \$3,350 or \$5,275 for a moderate ordinance with the same complexity. These cost estimates are for only one meeting or staff report, more complex ordinances would likely require more meetings and potentially more reports. These costs are indeterminate due to the local option.

There would also be ongoing administrative costs to process waivers that would be indeterminate for many jurisdictions. However, these costs are expected to be de minimis if existing processes are already similar.

The Spokane County Auditor's Office reports that the cost to record the document is \$303.50 with \$1 for each additional page with the most likely cost to be approximately \$310.50. The number of documents to be recorded will vary depending on the number of municipalities that will adopt the legislation and cannot be predicted in advance. These costs are considered to be de minimus and 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 bill would not impact local government revenues.

This legislation would require a municipality to approve the use of utility connection waivers for affordable housing without a backfill source. Some municipalities, including the City of Spokane, charge development projects a General Facilities Charge (GFC) to help defray the costs of water and wastewater utility improvements. When these costs are waived, these costs are passed on to other utility ratepayers.

GFC costs for the City of Spokane are based on meter size. For illustrative purposes, a single-family home would likely need a ¾- or 1-inch water connection. A ¾-inch connection would require a total of about \$12,000 for water and wastewater GFCs in 2026. A multi-family complex would need a 6-inch water connection and would have GFCs totaling around \$540,000 in 2026. The city estimates that there will be 60 units that would qualify for a utility connection waiver in 2025.

The number of municipalities that choose to adopt the legislation is unknown. The number of affordable housing projects that will use the utility connection charge waiver in each municipality is also unknown. The Local Government Fiscal Note Program assumes that any revenue gain or loss will equal the cost for utility improvements so there is no impact on local

government revenues.

SOURCES

City of Spokane

Spokane County Auditor's Office

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