

Multiple Agency Fiscal Note Summary

Bill Number: 2044 HB	Title: Voter-approved property tax
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Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	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	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Revenue	.0	3,800	3,800	3,800	.0	0	0	0	.0	0	0	0
Total \$	0.0	3,800	3,800	3,800	0.0	0	0	0	0.0	0	0	0

Agency Name	2023-25			2025-27			2027-29		
	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	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	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: Amy Hatfield, OFM	Phone: (360) 280-7584	Date Published: Final 1/17/2024
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Department of Revenue Fiscal Note

Bill Number: 2044 HB	Title: Voter-approved property tax	Agency: 140-Department of Revenue
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.1	0.0		
Account					
GF-STATE-State 001-1		3,800	3,800		
Total \$		3,800	3,800		

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: Rachelle Harris	Phone: 60-786-7137	Date: 01/07/2024
Agency Preparation: Kari Kenall	Phone: 60-534-1508	Date: 01/14/2024
Agency Approval: Marianne McIntosh	Phone: 60-534-1505	Date: 01/14/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/17/2024

Request # 2044-1-1

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.

CURRENT LAW:

Voters in taxing districts can approve property tax lid lifts for a stated dollar amount to use for a specific purpose. Only taxing districts in counties with a population of less than 1.5 million can use property tax levy lid lift funds to supplant existing funds used for the lid lift's specific purpose. Taxing districts in counties with a population of 1.5 million or more cannot use property tax levy lid lift funds to supplant existing funds used for the lid lift's specific purpose.

PROPOSAL:

This bill removes the supplant language from the law, allowing taxing districts in all counties to use property tax lid lift funds to supplant existing funds used for the lid lift's specific purpose.

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.

ASSUMPTIONS

- King County is the only county with a population of over 1.5 million.
- The expansion of how taxing districts can use funds from voter-approved levies will not result in additional levies.

DATA SOURCES

Office of Financial Management, County populations

TOTAL REVENUE IMPACT:

This legislation results in no revenue impact on the state and local property tax levies.

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 of Revenue (department) will not incur any costs in fiscal year 2024.

SECOND YEAR COSTS:

The department will incur total costs of \$3,800 in fiscal year 2025. These costs include:

- Labor Costs – Time and effort equate to 0.07 FTEs.
- Amend one rule.

ONGOING COSTS:

There are no ongoing costs.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.1	0.0		
A-Salaries and Wages		2,500	2,500		
B-Employee Benefits		800	800		
E-Goods and Other Services		300	300		
J-Capital Outlays		200	200		
Total \$		\$3,800	\$3,800		

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 2024	FY 2025	2023-25	2025-27	2027-29
EMS BAND 4	131,684		0.0	0.0		
MGMT ANALYST4	76,188		0.0	0.0		
TAX POLICY SP 2	78,120		0.0	0.0		
TAX POLICY SP 3	88,416		0.0	0.0		
TAX POLICY SP 4	95,184		0.0	0.0		
WMS BAND 3	111,992		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

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 process to amend WAC 458-19-045, titled: "Levy limit - Removal of limit (lid lift)." Persons affected by this rulemaking would include taxing districts in all counties that want to use levy lid lift funds to supplant existing funds used for a lid lift's specific purpose.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 2044 HB

Title: Voter-approved property tax

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: Tammi Alexander	Phone: 360-725-5038	Date: 01/15/2024
Leg. Committee Contact: Rachele Harris	Phone: 360-786-7137	Date: 01/07/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/15/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/17/2024

Part IV: Analysis

A. SUMMARY OF BILL

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

This bill allows taxing districts in all counties to use property tax lid lift funds to supplant existing funds used for the lid lift's specific purpose.

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 bill would not impact local government expenditures because no action is required.

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 according to the Department of Revenue.

SOURCE:

Department of Revenue fiscal note, HB 2044 (2024)