

Multiple Agency Fiscal Note Summary

Bill Number: 1267 HB	Title: Rural public facilities/tax
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of State Auditor	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

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
Office of State Auditor	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Revenue	.1	16,400	16,400	16,400	.0	0	0	0	.0	0	0	0
Total \$	0.1	16,400	16,400	16,400	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
Office of State Auditor	.0	0	0	.0	0	0	.0	0	0
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
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Individual State Agency Fiscal Note

Bill Number: 1267 HB	Title: Rural public facilities/tax	Agency: 095-Office of State Auditor
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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: Elizabeth Allison	Phone: 360-786-7129	Date: 01/18/2023
Agency Preparation: Charleen Patten	Phone: 360-725-5586	Date: 01/23/2023
Agency Approval: Janel Roper	Phone: 564-999-0820	Date: 01/23/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/23/2023

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(3)(b) requires each county collecting sales and use tax related to rural public facilities to annually report to the State Auditor's office within 150 days after the close of the fiscal year.

Section 1(5) requires the State Auditor to develop a publicly accessible searchable system on its website by December 31, 2025. The system will need to contain the project information and expenditure information included in the annual report, along with the total amount of revenue collected by the county related to the imposed tax.

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.

Based on the language in the bill SAO is unable to adequately develop cost estimates without more information related to the requirements of this bill. Based on the complexity of the publicly accessible searchable system as outlined in the bill there may be costs related to:

- SAO staff costs for developing reporting criteria and providing that criteria to the counties for coding of reported data;
- Development and ongoing maintenance of an additional system as required;
- Staff costs related to providing training to the counties that will be responsible for reporting the data to be included in the searchable system.

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

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

III. B - Expenditures by Object Or Purpose

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

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: 1267 HB	Title: Rural public facilities/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		0.1		
Account					
GF-STATE-State 001-1	16,400		16,400		
Total \$	16,400		16,400		

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: Elizabeth Allison	Phone: 60-786-7129	Date: 01/18/2023
Agency Preparation: Diana Tibbetts	Phone: 60-534-1520	Date: 01/22/2023
Agency Approval: Valerie Torres	Phone: 60-534-1521	Date: 01/22/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/23/2023

Request # 1267-1-1

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:

A rural county may impose a sales and use tax to finance public facilities which service economic development purposes. The tax can be imposed at a rate up to 0.09%. For counties imposing the tax at the rate of 0.09% before August 1, 2009, the tax expires on the date that is twenty-five years after the date that the 0.09% tax rate was first imposed by the county.

PROPOSAL:

This legislation extends the expiration of the rural counties public facilities local sales and use tax to December 31, 2054 for counties imposing the tax at 0.09% before August 1, 2009, and meeting the definition of rural county as of August 1, 2009.

By December 31, 2025, the state auditor must provide a publicly accessible searchable system containing project information and the amount of revenue received from this tax by each county in the prior fiscal year. This applies to reports filed in 2025 and thereafter.

EFFECTIVE DATE:

The bill takes effect 90 days after 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

- The tax expires beginning in 2032 and beyond for the counties currently levying the tax. The revenue impact is beyond the timeline of this fiscal note.
- In Calendar Year 2022, counties received just under \$52.4 million in distributions from the rural county tax.

DATA SOURCES:

- Department of Revenue local tax distribution data

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 \$16,400 in fiscal year 2024. These costs include:

Labor Costs – Time and effort equate to 0.1 FTE.

- Test and verify computer systems to update the expiration date for local sales and use tax for public facilities in rural counties.

Object Costs - \$4,400.

- Contract computer system programming.

SECOND YEAR COSTS:

The department will not incur any costs in fiscal year 2025.

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		0.1		
A-Salaries and Wages	7,300		7,300		
B-Employee Benefits	2,400		2,400		
C-Professional Service Contracts	4,400		4,400		
E-Goods and Other Services	1,600		1,600		
J-Capital Outlays	700		700		
Total \$	\$16,400		\$16,400		

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
MGMT ANALYST4	73,260	0.1		0.1		
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

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1267 HB

Title: Rural public facilities/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: 01/23/2023
Leg. Committee Contact: Elizabeth Allison	Phone: 360-786-7129	Date: 01/18/2023
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/23/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/23/2023

Part IV: Analysis

A. SUMMARY OF BILL

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

This legislation would extend the rural public facilities sales and use tax to December 31, 2054 for those counties imposing the tax at the rate of 0.09% before August 1, 2009 and meeting the definition of a rural county as of August 1, 2009. Previously, the tax would expire in 25 years from the date the 0.09% tax rate was imposed.

The tax expires beginning in 2032 and beyond for the counties currently levying the tax. The revenue impact is beyond the timeline of this fiscal note.

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 extend the 0.09% sales and use tax for those counties meeting the requirements outlined in the bill until December 31, 2054. The tax expires beginning in 2032 and beyond for the counties currently levying the tax. The revenue impact is beyond the timeline of this fiscal note.

According to the Department of Revenue, in Calendar Year 2022, counties received just under \$52.4 million in distributions from the rural county tax.

SOURCE:

Department of Revenue fiscal note, HB 1267 (2023)