Multiple Agency Fiscal Note Summary

Bill Number: 5378 SB	**Title:** Real Estate/Managing Broker License Renewals

Estimated Cash Receipts

Agency Name	2021-23			2023-25			2025-27		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Licensing	0	0	250,000	0	0	0	0	0	0
Total $	**0**	**0**	**250,000**	**0**	**0**	**0**	**0**	**0**	**0**

Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Governor's Office of Indian Affairs	.0	0	0	0	.0	0	0	0	.0	0	0	0
Commission on Asian Pacific American Affairs	.0	0	0	0	.0	0	0	0	.0	0	0	0
Commission on Hispanic Affairs	.0	0	0	0	.0	0	0	0	.0	0	0	0
Commission on African-American Affairs	.0	0	0	0	.0	0	0	0	.0	0	0	0
Human Rights Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Housing Finance Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Licensing	.7	0	0	250,000	.0	0	0	0	.0	0	0	0
Total $	**0.7**	**0**	**0**	**250,000**	**0.0**	**0**	**0**	**0**	**0.0**	**0**	**0**	**0**

Estimated Capital Budget Expenditures

FNPID: 61728

FNS029 Multi Agency rollup

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Governor's Office of Indian Affairs	.0	0	0	.0	0	0	.0	0	0
Commission on Asian Pacific American Affairs	.0	0	0	.0	0	0	.0	0	0
Commission on Hispanic Affairs	.0	0	0	.0	0	0	.0	0	0
Commission on African-American Affairs	.0	0	0	.0	0	0	.0	0	0
Human Rights Commission	.0	0	0	.0	0	0	.0	0	0
Housing Finance Commission	.0	0	0	.0	0	0	.0	0	0
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Total $	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

Estimated Capital Budget Breakout

Prepared by: Kyle Siefering, OFM	**Phone:** (360) 995-3825	**Date Published:** Final 2/ 5/2021

FNPID: 61728

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 5378 SB	Title: Real Estate/Managing Broker License Renewals	Agency: 075-Office of the Governor

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:	Clinton McCarthy	Phone: 360-786-7319	Date: 01/29/2021
Agency Preparation:	Jim Jenkins	Phone: 360-902-0403	Date: 02/01/2021
Agency Approval:	Jamie Langford	Phone: (360) 870-7766	Date: 02/01/2021
OFM Review:	Tyler Lentz	Phone: (360) 790-0055	Date: 02/05/2021

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill adds new requirements to the real estate brokers and managing brokers license renewal requirement.

Of the required 30 hours of instruction, six hours of instruction must be focused on fair housing education and prevention of unfair practices with respect to real estate transactions, facilities, or services as specified in RCW 149.60.222.2(3).

The department of licensing will provide more specific training concepts within fair housing education with the input of associations that represent real estate brokers and agents, the commission on African American affairs, the commission on Hispanic affairs, the governor's office of Indian affairs, the commission on Asian Pacific American affairs, the human rights commission, the governor's committee on disability issues and employment, the LGBTQ commission, and the housing finance commission.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish 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: *List FTEs by classification and corresponding annual compensation. Totals need to 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

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

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

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5378 SB	Title: Real Estate/Managing Broker License Renewals	Agency: 086-Governor's Office of Indian Affairs

Part I: Estimates

[X] **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:	Clinton McCarthy	Phone: 360-786-7319	Date: 01/29/2021
Agency Preparation:	Seth Flory	Phone: 360-407-8165	Date: 02/02/2021
Agency Approval:	Seth Flory	Phone: 360-407-8165	Date: 02/02/2021
OFM Review:	Ramona Nabors	Phone: (360) 902-0547	Date: 02/03/2021

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The bill would require real estate brokers to complete six hours of education focused on fair housing and prevention of unfair real estate practices every two years. The Department of Licensing (DOL) would develop the training concepts; the Governor's Office of Indian Affairs (GOIA) and other agencies would provide input to DOL to help them develop the concepts.

GOIA assumes that it could provide assistance to DOL within existing staff resources, so this bill would not have a fiscal impact.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish 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: *List FTEs by classification and corresponding annual compensation. Totals need to 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

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

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

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5378 SB	Title: Real Estate/Managing Broker License Renewals	Agency: 087-Commission on Asian Pacific American Affairs

Part I: Estimates

[X] **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:	Clinton McCarthy	Phone: 360-786-7319	Date: 01/29/2021
Agency Preparation:	Paul Bitar	Phone: 360-407-8129	Date: 02/01/2021
Agency Approval:	Paul Bitar	Phone: 360-407-8129	Date: 02/01/2021
OFM Review:	Ramona Nabors	Phone: (360) 902-0547	Date: 02/03/2021

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The bill would require real estate brokers to complete six hours of education focused on fair housing and prevention of unfair real estate practices every two years. The Department of Licensing (DOL) would develop the training concepts; CAPAA and other agencies would provide input to DOL to help them develop the concepts.

CAPAA assumes that it could provide assistance to DOL within existing staff resources, so this bill would not have a fiscal impact.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish 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: *List FTEs by classification and corresponding annual compensation. Totals need to 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

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

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

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5378 SB	Title: Real Estate/Managing Broker License Renewals	Agency: 118-Commission on Hispanic Affairs

Part I: Estimates

[X] **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:	Clinton McCarthy	Phone: 360-786-7319	Date: 01/29/2021
Agency Preparation:	Paul Bitar	Phone: 360-407-8129	Date: 02/02/2021
Agency Approval:	Paul Bitar	Phone: 360-407-8129	Date: 02/02/2021
OFM Review:	Ramona Nabors	Phone: (360) 902-0547	Date: 02/03/2021

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The bill would require real estate brokers to complete six hours of education focused on fair housing and prevention of unfair real estate practices every two years. The Department of Licensing (DOL) would develop the training concepts; CHA and other agencies would provide input to DOL to help them develop the concepts.

CHA assumes that it could provide assistance to DOL within existing staff resources, so this bill would not have a fiscal impact.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish 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: *List FTEs by classification and corresponding annual compensation. Totals need to 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

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

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

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5378 SB	Title: Real Estate/Managing Broker License Renewals	Agency: 119-Commission on African-American Affairs

Part I: Estimates

[X] **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:	Clinton McCarthy	Phone: 360-786-7319	Date: 01/29/2021
Agency Preparation:	Chad Johnson	Phone: (360) 407-8130	Date: 02/03/2021
Agency Approval:	Chad Johnson	Phone: (360) 407-8130	Date: 02/03/2021
OFM Review:	Ramona Nabors	Phone: (360) 902-0547	Date: 02/03/2021

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The bill would require real estate brokers to complete six hours of education focused on fair housing and prevention of unfair real estate practices every two years. The Department of Licensing (DOL) would develop the training concepts; CAAA and other agencies would provide input to DOL to help them develop the concepts.

CAAA assumes that it could provide assistance to DOL within existing staff resources, so this bill would not have a fiscal impact.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish 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: *List FTEs by classification and corresponding annual compensation. Totals need to 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

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

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

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5378 SB	Title: Real Estate/Managing Broker License Renewals	Agency: 120-Human Rights Commission

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:	Clinton McCarthy	Phone: 360-786-7319	Date: 01/29/2021
Agency Preparation:	Laura Lindstrand	Phone: 360-753-6770	Date: 01/29/2021
Agency Approval:	Laura Lindstrand	Phone: 360-753-6770	Date: 01/29/2021
OFM Review:	Ramona Nabors	Phone: (360) 902-0547	Date: 02/03/2021

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill would require that, in order to renew their licenses, real estate brokers and managing brokers receive at least 6 clock hours of instruction every two years on fair housing and prevention of unfair practices in real estate transactions. The bill requires that the Human Rights Commission provide input to the Department of Licensing on education related to fair housing and the prevention of unfair practices in real estate transactions. The WSHRC has existing educational materials related to this topics that it would be able to share with the Dept. of Licensing to provide input on this topic. It is not anticipated that any new materials will need to be developed, and that any time that staff spend providing input to the Dept. of Licensing could be absorbed into their current duties. There will be no fiscal impact.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish 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: *List FTEs by classification and corresponding annual compensation. Totals need to 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

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

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

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5378 SB	Title: Real Estate/Managing Broker License Renewals	Agency: 148-Housing Finance Commission

Part I: Estimates

[X] **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:	Clinton McCarthy	Phone: 360-786-7319	Date: 01/29/2021
Agency Preparation:	Rich Zwicker	Phone: 2062874480	Date: 02/01/2021
Agency Approval:	Robert Cook	Phone: 206 287 4432	Date: 02/01/2021
OFM Review:	Gwen Stamey	Phone: (360) 902-9810	Date: 02/01/2021

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

No fiscal impact.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish 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: *List FTEs by classification and corresponding annual compensation. Totals need to 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

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

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

NONE

Part V: New Rule Making Required

Bill No. SB 5378
Fiscal Note Response
Dated: January 29, 2021

No Fiscal Impact:

No Fiscal Impact: Because the Commission is a non-appropriated, non-allocated agency, all the costs associated with the contemplated legislation will flow through the Commission's operating funds, therefore the Commission believes it has no fiscal impact on the state's budget.

Contact:

Rich Zwicker
(rich.zwicker@wshfc.org)
206-735-6477
Washington State Housing Finance Commission

Individual State Agency Fiscal Note

Bill Number: 5378 SB	Title: Real Estate/Managing Broker License Renewals	Agency: 240-Department of Licensing

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
Real Estate Commission Account-State 026-1		250,000	250,000		
Total $		250,000	250,000		

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	1.4	0.0	0.7	0.0	0.0
Account					
Real Estate Commission Account-State 026-1	250,000	0	250,000	0	0
Total $	250,000	0	250,000	0	0

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:	Clinton McCarthy	Phone: 360-786-7319	Date: 01/29/2021
Agency Preparation:	Xia Zhan	Phone: 360 902-0113	Date: 02/05/2021
Agency Approval:	Kristin Bettridge	Phone: 360-902-3644	Date: 02/05/2021
OFM Review:	Kyle Siefering	Phone: (360) 995-3825	Date: 02/05/2021

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill requires:
- All real estate brokers and managing brokers to complete 6 hours of instruction (out of the required 30 hours) focused on fair housing education and prevention of unfair practices. This requirement is every two years.
- DOL to provide training curriculum regarding fair housing education with input from industry representatives and named associations.

Sec. 1 – Amends RCW 18.85.211:
(2) Adds a new section that states 6 hours of instruction (out of the required 30) must focus on fair housing education and prevention of unfair practices regarding real estate transactions, facilities, and services specified in RCW 49.60.222.
(3) Adds a new section that states DOL shall provide specific training concepts regarding fair housing education with input from the following:
- Associations that represent real estate brokers and agents;
- the WA state commission on African American affairs;
- the WA state commission on Hispanic affairs;
- the governor's office of Indian affairs;
- the WA state commission on Asian Pacific American affairs;
- the WA state human rights commission;
- the governor's committee on disability issues and employment;
- the WA state LGBTQ commission; AND
- the WA state housing finance commission.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

The Real Estate licensing program is 100% license fee supported. A one time assessment would need to be added to annual renewal fees, equal to the costs contained in the expenditure section of this fiscal note. For efficiency purposes, the department will add inclusion of this one time assessment per licensee, to a planned fee rulemaking process in the spring of 2022, and assumes an effective date of June 2022.

The Real Estate account will likely go into a temporary deficit in FY22, as the expenditures required to implement this legislation will begin earlier prior to revenue received.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

This bill requires DOL to provide fair housing education curriculum for continuing education of real estate brokers and managing brokers. In order to implement this bill, the following resources are needed:

Business & Professions Division (BPD):

In FY22:
• 1.0 project Management Analyst 3 (MA3) FTE – The MA3 is to provide initial startup support, including fee increase rulemaking, form and system updates, and development and organization of industry communications to support Section 1. This organizational change management resource will provide communication and outreach to 53,935 licensed real estate brokers, managing brokers, firms, and branches and 187 licensed real estate schools.

• $40,000 for contractual services of an Instructional Designer to develop fair housing education curriculum with input from real estate industry representatives and the eight organizations listed within Section 1. This curriculum will provide subject matter training concepts and objectives and will be made available to real estate educators for subsequent course development and approval by DOL.

Based on current industry rates and standards, it is assumed that collaborative curriculum development as provided within Section 1 will take approximately 100 hours to complete (broken down below) at the rate of $400 per hour:
o Conduct Fair Housing Act research – 30 hours
o Collaborate with various interest groups – 30 hours
o Develop training concepts and objectives, and subject matter instructor qualifications – 40 hours

Information Services:

DOL's online business and professions licensing database would need minor modifications to support this new required training. Functionality would need to be developed in order for real estate schools to apply for a 6-hour fair housing course certification per RCW 18.85.041 and for real estate brokers and managing brokers to furnish proof of successful completion of required instruction every two years per RCW 18.85.211.

The following contracted technology changes are required, total costs are $29,200:

• Update POLARIS to incorporate new course type of Fair Housing.
• Configure new course type in customer and back office portal process flows.
• Updating existing Continuing Education Audit portal process flows.
• Configure new Real Estate Course license fee for new course type.
• Update back office screens and configuration to incorporate new course type.
• Update public course search website to include new course type.

The system changes identified above impact an existing Commercial off the Shelf (COTS) product and require modifications by the vendor. The design, development and configuration services are estimated to cost $14,895. Total Information Services Costs are $44,000 in FY 22 ($29,200 + $14,895).
The agency will use appropriated funds to hire contract programmers to accomplish this work or to support current staff implementing this legislation within the required timeline. Appropriated funds may also be used to hire agency temporary staff to support permanent staff assigned to this legislative effort.

Any change requires a process to ensure changes are correctly applied to the system. This involves Project Managers that manage the team that completes the update, business analyst that documents and reviews the system changes, architect services that analyzes how the update could have an effect on other systems or DOL processes, developers who create the change, and testers and quality assurance teams that ensure the update is working correctly.

Support Services:

Agency Administrative Overhead is included at a rate of 26 percent of the direct program costs. This funding received covers agency-wide functions such as vendor payments, contract administration, financial management, mail processing, equipment management, help desk support, and technical assistance to DOL employees.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
026-1	Real Estate Commission Account	State	250,000	0	250,000	0	0
		Total $	250,000	0	250,000	0	0

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	1.4		0.7		
A-Salaries and Wages	98,000		98,000		
B-Employee Benefits	38,000		38,000		
C-Professional Service Contracts	40,000		40,000		
E-Goods and Other Services	67,000		67,000		
G-Travel					
J-Capital Outlays	7,000		7,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total $	250,000	0	250,000	0	0

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 2022	FY 2023	2021-23	2023-25	2025-27
Indirect ADM Fiscal Analyst 2	54,108	0.3		0.2		
Indirect ISD IT Cust. Support - Journey	83,892	0.1		0.1		
Management Analyst 3	69,264	1.0		0.5		
Total FTEs		1.4		0.7		0.0

III. D - Expenditures By Program (optional)

Program	FY 2022	FY 2023	2021-23	2023-25	2025-27
Mgmt & Support Services (100)	35,000		35,000		
Information Services (200)	61,000		61,000		
Business and Professions (700)	154,000		154,000		
Total $	250,000		250,000		

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

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

NONE

None.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Rulemaking will be required in order to increase fees to fund expenditures associated with the new education workload required within Section 1.