Multiple Agency Fiscal Note Summary

Bill Number: 1673 HB	**Title:** Public works board/broadband.

Estimated Cash Receipts

NONE

Agency Name	2021-23		2023-25		2025-27	
	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	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total $	**0.0**	**0**	**0**	**0**	**0.0**	**0**	**0**	**0**	**0.0**	**0**	**0**	**0**

Agency Name	2021-23			2023-25			2025-27		
	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	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total $	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

Agency Name	2021-23			2023-25			2025-27		
	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

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

FNPID 63449

FNS029 Multi Agency rollup

Prepared by: Myra Baldini, OFM	**Phone:** (360) 688-8208	**Date Published:** Final

Individual State Agency Fiscal Note

Revised

Bill Number: 1673 HB	Title: Public works board/broadband.	Agency: 103-Department of Commerce

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

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

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:	Cassie Jones	Phone: 360-786-7303	Date: 01/05/2022
Agency Preparation:	Buck Lucas	Phone: 360-725-3180	Date: 01/12/2022
Agency Approval:	Joyce Miller	Phone: 360-725-2710	Date: 01/12/2022
OFM Review:	Myra Baldini	Phone: (360) 688-8208	Date: 01/12/2022

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.

Section 1(1) amends RCW 43.155.160 to improve the application, objection and review processes and create an emergency public works board (PWB) broadband program.

Section 1(5)(o) removes the time requirement for the applicant to contact all entities providing broadband service near the proposed project area. The applicant is required to submit evidence of notification, however it removes the requirement for contact to be made no later than six weeks prior to the submission of the application.

Section 1(5)(q) adds the requirement for the applicant to show evidence of submission of the proposed geographic broadband service area and the proposed broadband speeds to the PWB.

Section 1(6)(a) adds the requirement for the PWB to publish on its website for at least 30 days the proposed geographic broadband service area and the proposed broadband speeds for each application submitted.

Section 1(7)(e) changes the objection to a proposed broadband project rather than an application so that objections can be made prior to the applicant submitting their application.

Section 1(10) removes the requirement for the Washington Utilities and Transportation Commission (UTC) consultation and review as part of the proposed project application.

Section 1(12)(a) authorizes the Public Works Board to make low-interest or interest-free loans or grants to eligible applicants for emergency public works broadband projects.
-Eligible emergency projects include construction, repair, reconstruction, replacement, rehabilitation, or improvement to critical broadband infrastructure that has been damaged by unforeseen events.
-The loans or grants may be used to help fund all or part of an emergency broadband infrastructure project less any reimbursement from federal disaster or emergency funds; state disaster or emergency funds; insurance settlements; and litigation.
-Eligible applicants are those who are eligible under the existing PWB broadband infrastructure program.

Section 2 amends RCW 42.56.270 to protect financial, commercial and proprietary information.

Section 2(4) RCW 43.155.160, the Public Works Board Broadband Infrastructure program, is added to the list of exemptions from public disclosure related solely to financial and commercial information and records supplied by businesses or individuals during application for loans or program services.

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.

There is no impact to the department. The activities stated in HB 1673 are already part of the normal operating procedures within the Local Government Division.

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

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

IV. B - Expenditures by Object Or Purpose

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

IV. C - Capital Budget Breakout

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

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

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

NONE

The Legislature could appropriate funding directly to the proposed emergency broadband program, and the Public Works Board could, under existing statutory authority, allocate up to 10 percent of a biennial appropriation for the purpose of grants and loans that address emergency needs for broadband infrastructure. This action will not result in revenue impacts to the Public Works Board or State Broadband Account. The amount of a potential appropriation is unclear, and the number of awards would vary based on funding level and emergency events that damage broadband infrastructure.

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 .

Once enacted the PWB would conduct rule-making, consistent with WAC 399-30-045 (3) to establish program eligibility and funding parameters for the program.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1673 HB	**Title:** Public works board/broadband.

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

Legislation Impacts:

[X] Cities: Cities can choose to apply for funding

[X] Counties: Counties can choose to apply for funding

[X] Special Districts: Special districts can choose to apply for funding

[ ] Specific jurisdictions only:

[ ] Variance occurs due to:

Part II: Estimates

[ ] No fiscal impacts.

[ ] Expenditures represent one-time costs:

[X] Legislation provides local option: Local governments would have an opportunity to apply for loan or grant funds for emergency public works broadband projects

[X] Key variables cannot be estimated with certainty at this time: It is unknown how many cities, counties, or special districts would choose to apply for emergency funding or how much they would be awarded.

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: 01/07/2022
Leg. Committee Contact: Cassie Jones	Phone: 360-786-7303	Date: 01/05/2022
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 01/07/2022
OFM Review: Myra Baldini	Phone: (360) 688-8208	Date: 01/07/2022

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government .

This bill would amend RCW 43.155.160 to:
- remove the six week requirement that an applicant contacted , in writing, all entities providing broadband service near the proposed project area to ask each broadband service provider's plan to upgrade broadband service
in the project area to speeds that meet or exceed the state's definition for broadband service
- add a requirement for applicants to submit the proposed geographic broadband service area and the proposed broadband speeds to the public works board no later than 30 days prior to submitting the application
- remove the requirement for the Public Works Board to consult with the Washington Utilities and Transportation Commission for their feasibility assessment
- allow the Public Works Board to make low-interest or interest-free loans or grants to eligible applicants for emergency public works broadband projects for construction , repair, reconstruction, replacement, rehabilitation, or improvement to critical broadband infrastructure that has been damaged by unforeseen events

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments , identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

This bill would have indeterminate impact on local government expenditures .

It is unknown which local governments would apply for emergency funding through the authority established by this bill . Applicants would have administrative costs to prepare the application and other necessary documentation .

Applicants receiving grants or loans would incur costs to construct , repair, replace, rehabilitate, or otherwise improve critical broadband infrastructure that has been damaged by unforeseen events . Funding issued as a loan must be repaid by the local government with any applicable interest applied. There may be potential costs associated with monitoring , auditing, or evaluating the emergency funds for those local governments awarded a loan or grant .

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments , identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

This bill would have indeterminate impact on local government revenues .

It is unknown which local governments would be awarded emergency funding and what amount they would receive .