Multiple Agency Fiscal Note Summary

Bill Number: 5229 SB	**Title:** Site readiness grants

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

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.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: Myra Baldini, OFM	**Phone:** (360) 688-8208	**Date Published:** Final

FNPID 65549

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Revised

Bill Number: 5229 SB	Title: Site readiness grants	Agency: 103-Department of Commerce

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.

[X] Requires new rule making, complete Part V.

Legislative Contact:	Kellee Gunn	Phone: 786-7429	Date: 01/10/2023
Agency Preparation:	Buck Lucas	Phone: 360-725-3180	Date: 01/16/2023
Agency Approval:	Jason Davidson	Phone: 360-725-5080	Date: 01/16/2023
OFM Review:	Myra Baldini	Phone: (360) 688-8208	Date: 01/16/2023

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 adds a new section providing legislative intent to ensure equitable recovery and provide business predictability through promotion of site readiness grants and investing in predevelopment work that supports businesses choose Washington.

Section 2 amends RCW 43.160.060 by adding "costs of achieving site readiness" as an element of planning grants within the Community Economic Revitalization Board (CERB) existing program. It also removes the limit for planning grants from the current $50,000 limit. After December 31, 2028, planning grants may not exceed $200,000.

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.

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 is no impact to the department. The addition of site readiness as an eligible activity of CERB planning grants is in alignment with the existing programs administered by CERB and can be absorbed into CERB's existing model at current staffing levels.

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

There is no impact to the department. Increasing the maximum allowable planning grants from $50,000 would allow CERB to finance larger planning projects, including new site readiness plans, which fits within CERB's existing project development business model.

The impact of the proposed legislation on the number of planning awards is unclear and subject to the availability of amounts appropriated for CERB and the level of funding requested within communities' applications. Specifically, an increased appropriation will result in increased CERB awards, and the removal of the $50,000 planning cap may result in an increase in the size of a planning award. From a sample of 12 counties from 2016 to 2022, CERB has awarded 48 planning grants at an average size of $46,800 with nearly 80% being funded at the current statutory cap of $50,000.

Part V: New Rule Making Required

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

CERB has rule-making authority within current statute if rule-making becomes necessary.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5229 SB	**Title:** Site readiness grants

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

Legislation Impacts:

- [ ] Cities:
- [ ] Counties:
- [ ] Special Districts:
- [X] Specific jurisdictions only: Rural communities defined by the board and rural counties determined by OFM
- [ ] Variance occurs due to:

Part II: Estimates

- [ ] No fiscal impacts.
- [ ] Expenditures represent one-time costs:
- [ ] Legislation provides local option:
- [X] Key variables cannot be estimated with certainty at this time: The amount of site readiness costs by project.

Estimated revenue impacts to:

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

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Kristine Williams	Phone: (564) 669-3002	Date: 01/13/2023
Leg. Committee Contact: Kellee Gunn	Phone: 786-7429	Date: 01/10/2023
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 01/13/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 01/13/2023

Part IV: Analysis

A. SUMMARY OF BILL

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

This legislation would amend RCW 43.160.060 to allow rural communities and counties to apply for a grant to pay the costs of achieving site readiness for an eligible project.

Sec. 2 amends RCW 43.160.060(2)(D)(iii) to include the 'costs of achieving site readiness' and imposes a limit of $200,000 per grant effective January 1, 2029.

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.

There is no expenditure impact to local governments.

Local governments would be eligible to apply to the Community Economic Revitalization Board (CERB) for a grant to pay for the site-specific costs of achieving site readiness. CERB does not administer competitive grant programs. Board staff provide applicants direct technical and project development assistance during the application process.

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 legislation would result in indeterminate revenue for local governments.

The type and amount of site readiness expenses will vary depending on each project. While the CERB program has averaged 17 applications per year since 2016, there is no information available to predict the amount of site readiness costs local governments would apply for. This legislation will impose a limit of $200,000 per grant award beginning January 1, 2029.

SOURCES:
Community Economic Revitalization Board