Multiple Agency Fiscal Note Summary

Bill Number: 5465 SB	**Title:** Tourism marketing

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
Department of Revenue	(2,700,000)	(2,700,000)	0	(3,100,000)	(3,100,000)	0	(3,500,000)	(3,500,000)	0
Total $	**(2,700,000)**	**(2,700,000)**	**0**	**(3,100,000)**	**(3,100,000)**	**0**	**(3,500,000)**	**(3,500,000)**	**0**

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 Treasurer	Fiscal note not available											
Department of Commerce	1.1	0	0	2,700,000	1.1	0	0	3,100,000	1.1	0	0	3,500,000
Department of Revenue	.0	13,200	13,200	13,200	.0	0	0	0	.0	0	0	0
Total $	**1.1**	**13,200**	**13,200**	**2,713,200**	**1.1**	**0**	**0**	**3,100,000**	**1.1**	**0**	**0**	**3,500,000**

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Treasurer	Fiscal note not available								
Department of Commerce	.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**

Estimated Capital Budget Breakout

Prepared by: Gwen Stamey, OFM	**Phone:** (360) 790-1166	**Date Published:** Preliminary

FNPID 65923

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 5465 SB	Title: Tourism marketing	Agency: 103-Department of Commerce

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.1	1.1	1.1	1.1	1.1
Account					
Statewide Tourism Marketing Account-State 22T-1	1,350,000	1,350,000	2,700,000	3,100,000	3,500,000
Total $	1,350,000	1,350,000	2,700,000	3,100,000	3,500,000

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:	Kellee Gunn	Phone: 786-7429	Date: 01/20/2023
Agency Preparation:	Karen McArthur	Phone: 360-725-4027	Date: 01/25/2023
Agency Approval:	Jason Davidson	Phone: 360-725-5080	Date: 01/25/2023
OFM Review:	Gwen Stamey	Phone: (360) 790-1166	Date: 01/25/2023

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 amends RCW 43.384.040 and 2018 c 275 s 5 and decreases the match requirements from two-to-one to one-to-one from the account.

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.

The department assumes the working outlined in Section 1 will require the following:

1.0 FTE Financial Analyst 2 (2,088 hours) responsible for confirming the match, handling payments, managing the budget, and basically serving as the bookkeeper for the authority.

Salaries and Benefits:
FY24: $86,145
FY25-FY29: $89,187 per fiscal year

Goods and Services:
FY24: $20,578
FY25-FY29: $20,582 per fiscal year

Travel:
Travel includes stakeholder outreach.
FY24-FY29: $2,000 per fiscal year

Equipment:
In addition to the standard goods and services estimates, the department assumes the purchase of standard workstations for the new staff in FY24 and the purchase of replacement laptops /tablets in FY28 based on the department's replacement cycle.
FY24: $5,000
FY28: $2,400

Grants:
Washington tourism marketing match grants are based on DOR revenue collection assumptions of $2,7000,000 FY24-FY25 $3,100,000 FY26-FY27; and $3,500,000 FY28-FY29.
FY24: $1,207,935
FY25: $1,208,888
FY26-FY27: $1,408,888
FY28: $1,606,488
FY29: $1,608,888

Intra-Agency Reimbursements:
FY24: $28,342
FY25-FY29: $29,343 per fiscal year

Note: Standard goods and services costs include supplies and materials, employee development and training, Attorney General costs, central services charges and agency administration. Agency administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

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Total Costs:
FY24-FY25: $1,350,000 per fiscal year
FY26-FY27: $1,550,000 per fiscal year
FY28-FY29: $1,750,000 per fiscal year

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
22T-1	Statewide Tourism Marketing Account	State	1,350,000	1,350,000	2,700,000	3,100,000	3,500,000
		Total $	1,350,000	1,350,000	2,700,000	3,100,000	3,500,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.1	1.1	1.1	1.1	1.1
A-Salaries and Wages	61,012	62,842	123,854	125,684	125,684
B-Employee Benefits	25,133	26,345	51,478	52,690	52,690
C-Professional Service Contracts					
E-Goods and Other Services	20,578	20,582	41,160	41,164	41,164
G-Travel	2,000	2,000	4,000	4,000	4,000
J-Capital Outlays	5,000		5,000		2,400
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	1,207,935	1,208,888	2,416,823	2,817,776	3,215,376
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	28,342	29,343	57,685	58,686	58,686
9-					
Total $	1,350,000	1,350,000	2,700,000	3,100,000	3,500,000

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 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Services - Indirect	111,168	0.1	0.1	0.1	0.1	0.1
Fiscal Analyst 2	61,012	1.0	1.0	1.0	1.0	1.0
Total FTEs		1.1	1.1	1.1	1.1	1.1

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: 5465 SB	Title: Tourism marketing	Agency: 140-Department of Revenue

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
GF-STATE-State 01 - Taxes 01 - Retail Sales Tax		(2,700,000)	(2,700,000)	(3,100,000)	(3,500,000)
Statewide Tourism Marketing Account-State 01 - Taxes 01 - Retail Sales Tax		2,700,000	2,700,000	3,100,000	3,500,000
Total $					

Estimated Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
Account					
GF-STATE-State 001-1	13,200		13,200		
Total $	13,200		13,200		

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:	Kellee Gunn	Phone: 786-7429	Date: 01/20/2023
Agency Preparation:	Diana Tibbetts	Phone: 360-534-1520	Date: 01/21/2023
Agency Approval:	Marianne McIntosh	Phone: 360-534-1505	Date: 01/21/2023
OFM Review:	Cheri Keller	Phone: (360) 584-2207	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.

CURRENT LAW:
Since 2018, 0.2% of state retail sales tax revenues generated from sales from lodging, car rentals and restaurants fund the Tourism Marketing Authority. The Department of Revenue transfers up to $3 million of these revenues to the tourism marketing account per biennium.

A two-to-one match of non-state or non-general fund state fund must be provided for the tourism marketing account expenditures.

PROPOSAL:
This legislation decreases the matching funds from two-to-one to one-to-one.

This legislation increases the $3 million per biennium cap to $26 million.

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
-Taxable sales growth mirrors the Economic and Revenue Forecast Council's November 2022 forecast of taxable retail sales growth.
- Matching funds will be met.

DATA SOURCES
- Department of Revenue excise tax return data - lodging tax, rental car, and restaurant data
- Economic and Revenue Forecast Council, November 2022 forecast

REVENUE ESTIMATES
This bill decreases state revenues by an estimated $2.7 million in fiscal year 2025 since the cap is based on a biennium.

TOTAL REVENUE IMPACT:

State Government (cash basis, $000):
FY 2024 - $ 0
FY 2025 - $ 0
FY 2026 - $ 0
FY 2027 - $ 0
FY 2028 - $ 0
FY 2029 - $ 0

Local Government, if applicable (cash basis, $000): None.

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.

ASSUMPTIONS:
This legislation will affect 17,000 taxpayers subject to allocation of taxes to the statewide tourism marketing account.

FIRST YEAR COSTS:
The department will incur total costs of $13,200 in fiscal year 2024. These costs include:

Object Costs - $13,200.
- Contract computer system programming to update the cap on distribution of taxes to the statewide tourism marketing account.

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					
C-Professional Service Contracts	13,200		13,200		
Total $	$13,200		$13,200		

III. B - Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

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