Multiple Agency Fiscal Note Summary

Bill Number: 5399 SB	**Title:** Future listing contracts

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 Licensing	0	0	15,000	0	0	0	0	0	0
Total $	**0**	**0**	**15,000**	**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	Fiscal note not available					
Loc School dist-SPI						
Local Gov. Other						
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
Administrative Office of the Courts	Fiscal note not available											
Department of Licensing	.0	0	0	15,000	.0	0	0	0	.0	0	0	0
Total $	**0.0**	**0**	**0**	**15,000**	**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	Fiscal note not available								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	Fiscal note not available								
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**

FNPID 65816

FNS029 Multi Agency rollup

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	Fiscal note not available								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Kyle Siefering, OFM	**Phone:** (360) 995-3825	**Date Published:** Preliminary

Individual State Agency Fiscal Note

Bill Number: 5399 SB	Title: Future listing contracts	Agency: 240-Department of Licensing

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Real Estate Commission Account-State 026-1	15,000		15,000		
Total $	15,000		15,000		

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
Account					
Real Estate Commission Account-State 026-1	15,000	0	15,000	0	0
Total $	15,000	0	15,000	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:		Phone:	Date: 01/20/2023
Agency Preparation:	Gina Rogers	Phone: 360-634-5036	Date: 01/23/2023
Agency Approval:	Gerrit Eades	Phone: (360)902-3863	Date: 01/23/2023
OFM Review:	Kyle Siefering	Phone: (360) 995-3825	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.

See attached fiscal note

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.

See attached fiscal note

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.

See attached fiscal note

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
026-1	Real Estate Commission Account	State	15,000	0	15,000	0	0
		Total $	15,000	0	15,000	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services	15,000		15,000		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total $	15,000	0	15,000	0	0

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.

See attached fiscal note

Individual State Agency Fiscal Note

Agency 240 – Department of Licensing

Bill Number: SB 5399 Bill Title: Providing for future listing right purchase contracts

Part 1: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts:

Revenue	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Real Estate Commission	026	15,000	-	15,000	-	-
Account Totals		**15,000**	**-**	**15,000**	**-**	**-**

Estimated Expenditures:

		FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
FTE Staff Years		-	-	-	-	-
Operating Expenditures	**Fund**	**FY 24**	**FY 25**	**23-25 Total**	**25-27 Total**	**27-29 Total**
Real Estate Commission	026	15,000	-	15,000	-	-
Account Totals		**15,000**	**-**	**15,000**	**-**	**-**

The revenue 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 the fiscal impact is **less than $50,000** per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ 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.

☐ Capital budget impact, complete Part IV.

☒ Requires new rule making, complete Part V.

Legislative Contact: Steven Puvogel	Phone: (360) 701-6459	Date:
Agency Preparation: Gina Rogers	Phone: (360) 634-5036	Date: 1/23/23
Agency Approval: Gerrit Eades	Phone: (360) 902-3931	Date:

Request #	1
Bill #	5399 SB

Part 2 – Explanation

This bill allows for future listing right purchase contracts in real estate.

2.A – Brief Description Of What The Measure Does That Has Fiscal Impact

Sec. 1 – Amends RCW 18.86.010

- *(8) "contract purchase price" means the money paid to the seller for entering into a future listing right purchase contract*
- *(10) "future listing right purchase contract" means a contractual right to obligating a seller to enter into a real estate listing agreement with a purchasing company in the future*
    - *Related to sales of residential homes, townhomes, or condos*
- *(13) "purchase date" means the date when the contract purchase price is transferred to the seller by the company*
- *(14) "purchasing company" means a person/entity that enters into a future listing right purchase contract*

Sec. 2 – Amends RCW 18.86.070

- *(2) limits future listing right purchase contract terms to 5 years from the purchase date*

Sec. 3 – Adds a new section to chapter 18.86 RCW

- *Allows future listing right purchase contracts to act as a lien on the property it's related to*
    - *All liens must take priority except to a financing, refinancing, or home equity line of credit the seller seeks after the effective date of the future listing right purchase contract*

Sec. 4 – New Section

- *Provides an immediate effective date*

2.B - Cash receipts Impact

Revenue	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Real Estate Commission	026	15,000	-	15,000	-	-
Account Totals		**15,000**	**-**	**15,000**	**-**	**-**

2.C – Expenditures

Operating Expenditures	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Real Estate Commission	026	15,000	-	15,000	-	-
Account Totals		**15,000**	**-**	**15,000**	**-**	**-**

Information Services will Implement:

- Update system ordinance records to align with state laws and rules.
- Update Real Estate Audit checklist.

Cost Category	Description	Rate	2024	2025	2026	2027	2028	2029	Total Cost
TESTER	Test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	$ 22,620	2,300	-	-	-	-	-	2,300
BUSINESS ANALYST	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	$ 16,530	1,700	-	-	-	-	-	1,700
PROJECT MANAGER	Manage schedule and contracts	$ 28,710	2,900	-	-	-	-	-	2,900
SECURITY AND ARCHITECT SERVICES	Create the conceptual model that defines the structure, behavior and framework of a computerized system including a breakdown of the system into components, the component interactions and interfaces (including with the environment, especially the user), and the technologies and resources to be used in the design.	$ 16,530	1,700	-	-	-	-	-	1,700
Trainer	Trains business partners and employees in new system processes and capabilities.	$ 22,620	2,300	-	-	-	-	-	2,300
Project Contingency	Office of the Chief Information Officer designated rate of 10%	$ 25,474	1,100	-	-	-	-	-	1,100
Totals			**12,000**	**-**	**-**	**-**	**-**	**-**	**12,000**

Assumptions:

- All violations related to an Inspection/Audit will report on existing audit result letters
- No new letters or reports

Project Duration: 1 month

Effective Date: Immediate effective date

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 $2,800.

Information Services:

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 23.4 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 3 – Expenditure Detail

3.A – Operating Budget Expenditures

Operating Expenditures	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Real Estate Commission	026	15,000	-	15,000	-	-
Account Totals		**15,000**	**-**	**15,000**	**-**	**-**

3.B – Expenditures by Object or Purpose

Object of Expenditure		FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Goods and Services		15,000	-	15,000	-	-
Total By Object Type		**15,000**	**-**	**15,000**	**-**	**-**

3.C – FTE Detail

None.

Part 4 – Capital Budget Impact

None.

Part 5 – New Rule Making Required

To implement this legislation, a one-time assessment would need to be added to licenses that are funded with dedicated funds, equal to the costs contained in the expenditure section of this fiscal note. The cost allocation model applied to current expenditures is used to establish the revenue breakdown. For efficiency purposes, the department will add inclusion of this one-time assessment per license, to a planned fee rulemaking process in the spring of 2024, with any fee proposed increases to go into effect in June 2024.