Multiple Agency Fiscal Note Summary

Bill Number: 5509 SB	**Title:** Public infrastructure bank

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
Office of State Treasurer	0	0	0	(9,354,000)	(9,354,000)	0	0	0	0
Office of State Treasurer	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Office of State Auditor	0	0	0	0	0	268,800	0	0	268,800
Total $	**0**	**0**	**0**	**(9,354,000)**	**(9,354,000)**	**268,800**	**0**	**0**	**268,800**

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	No fiscal impact					
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
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of State Treasurer	8.2	5,853,000	5,853,000	5,853,000	17.0	0	0	9,354,000	17.0	0	0	9,054,000
Office of State Treasurer	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Office of State Auditor	.0	0	0	0	.9	0	0	268,800	.9	0	0	268,800
Department of Financial Institutions	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total $	**8.2**	**5,853,000**	**5,853,000**	**5,853,000**	**17.9**	**0**	**0**	**9,622,800**	**17.9**	**0**	**0**	**9,322,800**

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Total									
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								

Estimated Capital Budget Expenditures

FNPID 66663

FNS029 Multi Agency rollup

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Office of State Auditor	.0	0	0	.0	0	0	.0	0	0
Department of Financial Institutions	.0	0	0	.0	0	0	.0	0	0
Total $	**0.0**	**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									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Prepared by: Amy Hatfield, OFM	**Phone:** (360) 280-7584	**Date Published:** Final 2/ 9/2023

FNPID 66663

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 5509 SB	Title: Public infrastructure bank	Agency: 075-Office of the Governor

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: 01/23/2023
Agency Preparation:	Tracy Sayre	Phone: 360-890-5279	Date: 01/25/2023
Agency Approval:	Jamie Langford	Phone: (360) 870-7766	Date: 01/25/2023
OFM Review:	Cheri Keller	Phone: (360) 584-2207	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 3 of HB 5509 establishes a public infrastructure bank as a public body corporate and politic, with perpetual corporate succession, constituting an instrumentality of the state of Washington exercising essential governmental functions. Three public directors of the public infrastructure bank are to be appointed by the governor. One of the public members shall be appointed by the governor as chair of the board and shall serve at the pleasure of the governor.

The Governor's Office believes the estimated time to recruit, vet, and appoint directors could be done within existing resources.

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.

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

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 5509 SB	Title: Public infrastructure bank	Agency: 090-Office of State Treasurer

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
General Fund-State 001-1				(9,354,000)	
Washington State Public Infrastructure Bank Fund-Non-Appropriated New-6				9,354,000	
Total $					

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.2	15.3	8.2	17.0	17.0
Account					
General Fund-State 001-1	935,000	4,918,000	5,853,000	0	0
Washington State Public Infrastructure Bank Fund-Non-Appropriated New-6	0	0	0	9,354,000	9,054,000
Total $	935,000	4,918,000	5,853,000	9,354,000	9,054,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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: 01/23/2023
Agency Preparation:	Dan Mason	Phone: (360) 902-8990	Date: 02/09/2023
Agency Approval:	Dan Mason	Phone: (360) 902-8990	Date: 02/09/2023
OFM Review:	Amy Hatfield	Phone: (360) 280-7584	Date: 02/09/2023

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.

SB 5509 establishes the Washington state public infrastructure bank as a public body within the meaning of RCW 39.53.010. The bank is not a public depositary for any purpose under chapter 39.58 RCW. The bank may not issue bonds in a manner that would create state debt. The operating board of the infrastructure bank consists of nine directors. The state treasurer shall serve as an ex officio director. The operating board has the authority to hire and fire an executive director. The executive director shall be funded in the office of the state treasurer. The bank's administration and operation must be performed by employees of the office of the state treasurer. Annually, the operating board approves the budget of the bank. The state finance committee serves as the oversight board of the infrastructure bank.

Assumptions:
• The bank may adopt policies, procedures, and rules.
• The bank may establish technical advisory committees.
• The state treasurer may hire the necessary staff to develop the bank operating plans and run the bank.
• The state treasurer may hire consultants with expertise in developing the bank operating plans.
• The state treasurer may issue requests for proposal and / or requests for information as necessary to develop the bank operating plans to include, but not limited to, staffing requirements, system requirements, and ensure the administration of the bank does not interfere with the core mission of the office of the state treasurer. These requests will help determine, at a minimum, if we should purchase a banking software, split off and enhance a subset of the treasury management system as a stand-alone application, or modify the existing treasury management system to include upgrades to a new version.
• The legislature will appropriate adequate general fund expenditure authority and FTEs for start-up funds to the state treasurer. Start-up funds are the estimated FTEs and total estimated costs for the 23-25 biennium in this fiscal note plus the estimated costs for system purchases and / or enhancements that will be available after the completion of the bank operating plan.
• The legislature will provide additional general fund expenditure authority in the 2024 supplemental budget if it is determined that increased appropriation is required.
• The legislature will create a new non-budgeted (non-appropriated and non-allotted) fund for the office of the state treasurer for the bank's administration and operation.
• The legislature will provide funding for a system purchase and / or upgrade after completion of the bank operating plans.
• The legislature will provide financial contributions to the bank to capitalize the bank so it can issue debt.

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.

Assumption:
• The legislature will provide the necessary cash from the general fund to the Washington state public infrastructure bank fund for the 25-27 biennium.

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.

Estimated costs, at a minimum and prior to the completion of the development of an operating plan:
• Seventeen staff; ten exempt positions, and seven classified positions.
• Consultants with the expertise in banking, developing plans, and financial systems to be $250,000 per year for three years.
• Current estimated start-up costs are $5,853,000.
• Future start-up costs for system purchases and / or enhancements to existing systems are indeterminable. Assumption:

The legislature will fund the future start-up costs after the operating plan is completed.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	935,000	4,918,000	5,853,000	0	0
New-6	Washington State Public Infrastructure Bank Fund	Non-Appropriated	0	0	0	9,354,000	9,054,000
		Total $	935,000	4,918,000	5,853,000	9,354,000	9,054,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.2	15.3	8.2	17.0	17.0
A-Salaries and Wages	212,000	2,606,000	2,818,000	5,578,000	5,578,000
B-Employee Benefits	53,000	652,000	705,000	1,396,000	1,396,000
C-Professional Service Contracts	250,000	250,000	500,000	250,000	
E-Goods and Other Services	360,000	1,190,000	1,550,000	1,970,000	1,970,000
G-Travel	10,000	100,000	110,000	150,000	100,000
J-Capital Outlays	50,000	120,000	170,000	10,000	10,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total $	935,000	4,918,000	5,853,000	9,354,000	9,054,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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
WA State Bank Accounting Manager - Classified	125,000		0.8	0.4	1.0	1.0
WA State Bank Cash Mgt Manager - Classified	125,000		0.8	0.4	1.0	1.0
WA State Bank Chief Financial Officer - Exempt	325,000		1.0	0.5	1.0	1.0
WA State Bank Chief Risk Officer - Exempt	225,000		1.0	0.5	1.0	1.0
WA State Bank Compliance Officer - Exempt	225,000		1.0	0.5	1.0	1.0
WA State Bank Debt Manager - Classified	125,000		0.8	0.4	1.0	1.0
WA State Bank Debt Officer - Exempt	225,000		1.0	0.5	1.0	1.0
WA State Bank Executive Assistant - Exempt	75,000	0.3	1.0	0.7	1.0	1.0
WA State Bank Executive Director - Exempt	425,000	0.3	1.0	0.7	1.0	1.0
WA State Bank Fiscal Analyst 3 - Classified	68,000		0.8	0.4	1.0	1.0
WA State Bank Fiscal Analyst 5 - Classified	81,000		0.8	0.4	1.0	1.0
WA State Bank Human Resource Manager - Exempt	80,000	0.3	1.0	0.7	1.0	1.0
WA State Bank Information Services Manager- Exempt	125,000		1.0	0.5	1.0	1.0
WA State Bank Investment Officer - Exempt	225,000		1.0	0.5	1.0	1.0
WA State Bank IT App Development - Journey - Class	105,000		0.8	0.4	1.0	1.0
WA State Bank IT Data Management - Journey - Class	105,000		0.8	0.4	1.0	1.0
WA State Bank Legal Counsel - Exempt	125,000	0.3	1.0	0.7	1.0	1.0
Total FTEs		1.2	15.3	8.3	17.0	17.0

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.

Individual State Agency Fiscal Note

Bill Number: 5509 SB	Title: Public infrastructure bank	Agency: 095-Office of State Auditor

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Auditing Services Revolving Account-State 483-1				268,800	268,800
Total $				268,800	268,800

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.0	0.0	0.9	0.9
Account					
Auditing Services Revolving Account-State 483-1	0	0	0	268,800	268,800
Total $	0	0	0	268,800	268,800

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: 01/23/2023
Agency Preparation:	Charleen Patten	Phone: 564-999-0941	Date: 01/27/2023
Agency Approval:	Janel Roper	Phone: 564-999-0820	Date: 01/27/2023
OFM Review:	Amy Hatfield	Phone: (360) 280-7584	Date: 01/27/2023

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.

This bill creates the Washington State Infrastructure bank and outlines responsibilities and management of the infrastructure bank. The purpose of this new state agency is to provide financing opportunities for local and tribal governments related to infrastructure and economic development projects.

Section 3(6) states that the infrastructure bank is a state agency subject to audit under chapter 43.09.

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.

Based on the description and responsibilities of the infrastructure bank as outlined in the bill, we are estimating this agency will be considered a mid-size state agency. Using like sized existing state agencies with similar responsibilities, we assume the SAO will perform an accountability audit with a 600 hour budget, once every two years. In addition, we assume an increase of 750 hours each fiscal year to the Annual Comprehensive Financial Review. 1350 total hours in FY1 and 750 hours in FY2 of each biennia.

Cash receipts are calculated multiplying the estimated hours by the current state billing rate of $128 per hour. Actual cash receipts will be dependent on the applicable billing rate in effect when the work is performed.

Increased audit work will be billed to the Washington State Infrastructure Bank.

Using the implementation of the 23-25 biennium as outlined in the bill, we anticipate we will start performing audit work in Fiscal Year 2026.

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 SAO estimates 1.2 FTE to complete the 600 hour accountability audit and 750 hours of ACFR the first fiscal year of each biennium. During the second year of the biennium when only the ACFR work is performed we estimate .7 FTE. This includes administrative support and overhead allocation.

In addition to the salaries and benefits, Goods and Services are included based on average SAO goods and services expenditures.

Expenses would be paid through the Auditing Services Revolving Account using revenues generated from the billings for this work.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
483-1	Auditing Services Revolving Account	State	0	0	0	268,800	268,800
		Total $	0	0	0	268,800	268,800

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years				0.9	0.9
A-Salaries and Wages				163,969	163,969
B-Employee Benefits				58,406	58,406
C-Professional Service Contracts					
E-Goods and Other Services				46,425	46,425
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 $	0	0	0	268,800	268,800

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
Admn/Overhead	72,000				0.1	0.1
Assistant State Auditor 3	73,260				0.7	0.7
Program Manager	125,628				0.2	0.2
Total FTEs					1.0	1.0

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.

Individual State Agency Fiscal Note

Bill Number: 5509 SB	Title: Public infrastructure bank	Agency: 102-Department of Financial Institutions

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: 01/23/2023
Agency Preparation:	Emily Fitzgerald	Phone: (360) 902-8780	Date: 01/25/2023
Agency Approval:	Levi Clemmens	Phone: (360) 902-8818	Date: 01/25/2023
OFM Review:	Amy Hatfield	Phone: (360) 280-7584	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.

This legislation creates the Washington State Public Infrastructure Bank.

Section 3(3) directs the Washington State Public Infrastructure Bank to file a duplicate of its initial articles of activation as well as subsequent amendments with the Department of Financial Institutions (DFI). The Infrastructure Bank must also file its bylaws, and information identifying its physical address, board members, and executive director with DFI. The cost of receiving and storing this information would be minimal.

Section 3(6) provides that DFI may, at its discretion, review the Infrastructure Bank's accounts and transactions. The cost of this review, if performed, is assumed to be minimal and would be handled within existing resources.

Section 3(12) states that the Infrastructure Bank must not be or constitute a bank or trust company within the jurisdiction or under the control of the Director of Financial Institutions. Because the Infrastructure Bank will not fall within its supervision authority, DFI does not anticipate that this bill would have a fiscal impact.

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.

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

Part V: New Rule Making Required

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

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5509 SB	Title: Public infrastructure bank

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

Legislation Impacts:

- [ ] Cities:
- [ ] Counties:
- [ ] Special Districts:
- [ ] Specific jurisdictions only:
- [ ] Variance occurs due to:

Part II: Estimates

- [X] No fiscal impacts.
- [ ] Expenditures represent one-time costs:
- [X] Legislation provides local option: Local governments may opt-in to the Washington state public infrastructure bank as a local option. Costs would only be incurred by local governments that choose to adopt the infrastructure bank's articles of activation in their respective legislative authorities.
- [ ] Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Brandon Rountree	Phone: (360) 999-7103	Date: 01/28/2023
Leg. Committee Contact: Clinton McCarthy	Phone: 360-786-7319	Date: 01/23/2023
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/28/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/30/2023

Part IV: Analysis

A. SUMMARY OF BILL

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

Overview: This legislation would establish the Washington state public infrastructure bank which would provide opportunities for local and tribal governments to competitively finance public infrastructure and economic development projects. The cooperative would complement the existing banking system and it would be also provide specialized technical assistance to local and tribal governments. Local and tribal governments would join the infrastructure bank through adoption of its articles of activation by their respective legislative authorities. Members of the infrastructure bank would select a total of five, elected local government and tribal government officials, to serve among infrastructure bank's Board of Directors (Board).

Sec. 3 Establishes the Public Finance Cooperative
(2)(b) The articles of activation must be approved by the legislative authority of each of the member local or tribal governments (member). Each member must provide the infrastructure bank with a contribution of an amount approved by the State Finance Committee. This amount may be adjusted by future infrastructure bank Boards.

(4)(a) Member-appointed directors must be elected local or tribal government officials.

(4)(g) Directors of the cooperative serve without compensation but are entitled to reimbursement, for expenses incurred in the discharge of their duties. Reimbursement can only come from funds from the cooperative.

(8) The infrastructure bank's administration and operation must be performed by employees of the Washington State Housing Finance
Commission.

Sec. 4 Establishes infrastructure bank authorizations and powers.

Sec. 5 Establishes infrastructure bank financing powers.

Sec. 7: Amends RCW 39.59.040 (Public Contracts and Indebtedness, Authorized Investments) to allow for any local government to invest in bonds issued by a public finance cooperative.

Sec. 8: Amends RCW 42.56.270 (Public Records Act - Financial, Commercial, and Proprietary Information) to include financial and commercial information and records supplied by businesses or individuals during applications for loans or program services created by this act are exempt from disclosure.

Sec. 9: Amends RCW 42.56.400 (Public Records Act – Insurance and Financial Institutions) with the same language as Sec. 8.

Sec 10: Amends RCW 43.10.067 by adding the infrastructure bank to the list of government entities allowed to employ, appoint, or retain an attorney. The state public infrastructure bank can only utilize an outside council in accordance with section 4 (22) of this act.

Sec. 11: Amends RCW 43.84.080 (Investments and Interfund Loans – Investment of Current State Funds) to include contributions made to a cooperative per Sec. 2 of this act, which may be invested or reinvested as the State Treasurer deems expedient

Sec. 12: A severability clause.

Sec. 13: The purpose of this act is for the welfare of the state and its inhabitants.

Sec. 14: Sec. 1 through 5 of this act constitute a new chapter in Title 43 RCW (State Government – Executive).

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 would be no local government expenditure impact as a result of this legislation. Local governments may choose to opt-in to the Washington state public infrastructure bank as a local option, but this is not a requirement of this act.

COSTS FOR A LOCAL GOVERNMENT TO BECOME A MEMBER OF THE INFASTRUCTURE BANK:
Sec. 3(2) (b) states that local or tribal governments must approve the infrastructure bank's articles of activation through their legislative authorities and then pay a contribution to the infrastructure bank an amount that is approved by the State Finance Committee. This contribution amount is currently unknown.

COSTS TO FOR THE LOCAL GOVERNMENT MEMBERS OF THE INFASTRUCTURE BANK BOARD OF DIRECTORS:
The infrastructure bank would have an operating board of directors (Board) of five member-appointed positions, three governor-appointed positions which are confirmed by the state Senate, and the State Treasurer serving as an ex-officio member. The member-appointed directors must be elected local government or tribal government officials. Sec. 3(4)(g) states that Board members are not to be compensated for their duties to be on the Board of the infrastructure bank but they may be reimbursed for costs to perform the Board functions. Reimbursement funds must come from funds that the infrastructure bank generates.

POTENTIAL STAFFING COSTS FOR LOCAL GOVERNMENT MEMBERS OF THE INFASTRUCTURE BANK BOARD OF DIRECTORS:
There would be five local government or tribal government members of the infrastructure bank Board and members may have the following costs to participate in board activities. The distribution of the Board would not be known until they are selected by local and tribal governments that have opted into the infrastructure bank. Per Sec. 3(4) (g), these costs may be reimbursable for participating elected local government officials.

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 not result in local government revenue impacts. Local governments may choose to opt-in to the Washington state public infrastructure bank as a local option, but this is not a requirement of this act. Amounts that the infrastructure bank may be able to lend to local governments is not known at this time.

Source:
Local Government Fiscal Note, SB 5188 2S SB, (2021)

Multiple Agency Ten-Year Analysis Summary

Bill Number	Title
5509 SB	Public infrastructure bank

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

Estimated Cash Receipts

Office of the Governor	0	0	0	0	0	0	0	0	0	0	0
Office of State Treasurer	0	0	0	0	0	0	0	0	0	0	0
Office of State Auditor	0	0	0	0	0	0	0	0	0	0	0
Department of Financial Institutions	0	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Ten-Year Analysis

Bill Number	Title	Agency
5509 SB	Public infrastructure bank	075 Office of the Governor

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at http://www.ofm.wa.gov/tax/default.asp .

Estimates

[X] **No Cash Receipts**

[ ] **Partially Indeterminate Cash Receipts**

[ ] **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											

Agency Preparation:	Tracy Sayre	Phone:	360-890-5279	Date:	1/25/2023 4:28:47 pm
Agency Approval:	Jamie Langford	Phone:	(360) 870-7766	Date:	1/25/2023 4:28:47 pm
OFM Review:		Phone:		Date:	

Ten-Year Analysis

Bill Number	Title	Agency
5509 SB	Public infrastructure bank	090 Office of State Treasurer

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at http://www.ofm.wa.gov/tax/default.asp .

Estimates

[X] **No Cash Receipts**

[ ] **Partially Indeterminate Cash Receipts**

[ ] **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											

Agency Preparation:	Dan Mason	Phone:	(360) 902-8990	Date:	2/9/2023 8:42:53 am
Agency Approval:	Dan Mason	Phone:	(360) 902-8990	Date:	2/9/2023 8:42:53 am
OFM Review:		Phone:		Date:	

Ten-Year Analysis

Bill Number	Title	Agency
5509 SB	Public infrastructure bank	095 Office of State Auditor

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at http://www.ofm.wa.gov/tax/default.asp .

Estimates

[X] **No Cash Receipts**

[ ] **Partially Indeterminate Cash Receipts**

[ ] **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											

Agency Preparation:	Charleen Patten	Phone:	564-999-0941	Date:	1/27/2023 10:31:31 an
Agency Approval:	Janel Roper	Phone:	564-999-0820	Date:	1/27/2023 10:31:31 an
OFM Review:		Phone:		Date:	

Ten-Year Analysis

Bill Number	Title	Agency
5509 SB	Public infrastructure bank	102 Department of Financial Institutions

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at http://www.ofm.wa.gov/tax/default.asp .

Estimates

[X] **No Cash Receipts** [ ] **Partially Indeterminate Cash Receipts** [ ] **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											

Agency Preparation:	Emily Fitzgerald	Phone:	(360) 902-8780	Date:	1/25/2023 8:38:09 am
Agency Approval:	Levi Clemmens	Phone:	(360) 902-8818	Date:	1/25/2023 8:38:09 am
OFM Review:		Phone:		Date:	