Multiple Agency Fiscal Note Summary

Bill Number: 1408 HB	**Title:** Community authority funding

Estimated Cash Receipts

Agency Name	2025-27			2027-29			2029-31		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of State Treasurer	0	0	3,670,000	0	0	6,680,000	0	0	7,190,000
Department of Revenue	(3,670,000)	(3,670,000)	(3,670,000)	(6,680,000)	(6,680,000)	(6,680,000)	(7,190,000)	(7,190,000)	(7,190,000)
Total $	**(3,670,000)**	**(3,670,000)**	**0**	**(6,680,000)**	**(6,680,000)**	**0**	**(7,190,000)**	**(7,190,000)**	**0**

Agency Name	2025-27		2027-29		2029-31	
	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	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Revenue	.7	237,200	237,200	237,200	.2	50,200	50,200	50,200	.2	50,200	50,200	50,200
Total $	**0.7**	**237,200**	**237,200**	**237,200**	**0.2**	**50,200**	**50,200**	**50,200**	**0.2**	**50,200**	**50,200**	**50,200**

Agency Name	2025-27			2027-29			2029-31		
	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 Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Treasurer	.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**

Agency Name	2025-27			2027-29			2029-31		
	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

Prepared by: Megan Tudor, OFM	**Phone:** (360) 890-1722	**Date Published:** Final 1/29/2025

Individual State Agency Fiscal Note

Bill Number: 1408 HB	Title: Community authority funding	Agency: 090-Office of State Treasurer

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
Community Preservation and Development Authority Account-State 14H-1	510,000	3,160,000	3,670,000	6,680,000	7,190,000
Total $	510,000	3,160,000	3,670,000	6,680,000	7,190,000

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:	Martha Wehling	Phone: 360-786-7067	Date: 01/20/2025
Agency Preparation:	Mandy Kaplan	Phone: (360) 902-8977	Date: 01/28/2025
Agency Approval:	Dan Mason	Phone: (360) 902-8990	Date: 01/28/2025
OFM Review:	Megan Tudor	Phone: (360) 890-1722	Date: 01/29/2025

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.

HB 1408 under section 1(2)(b), directs the office of the state treasurer to transfer revenue from the general fund to the community preservation and development authority account based on notifications from the department of revenue.

There will be some de-minimis work for OST which can be completed within current practices and 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.

The following estimated amounts were provided by the department of revenue:

2026 510,000
2027 3,160,000
2028 3,280,000
2029 3,400,000
2030 3,530,000
2031 3,660,000

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.

Department of Revenue Fiscal Note

Bill Number: 1408 HB	Title: Community authority funding	Agency: 140-Department of Revenue

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

Account	FY 2026	FY 2027	2025-27	2027-29	2029-31
GF-STATE-State 01 - Taxes 01 - Retail Sales Tax	(510,000)	(3,160,000)	(3,670,000)	(6,680,000)	(7,190,000)
Total $	(510,000)	(3,160,000)	(3,670,000)	(6,680,000)	(7,190,000)

Estimated Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.1	0.2	0.7	0.2	0.2
Account					
GF-STATE-State 001-1	212,100	25,100	237,200	50,200	50,200
Total $	212,100	25,100	237,200	50,200	50,200

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:	Martha Wehling	Phone: 360-786-7067	Date: 01/20/2025
Agency Preparation:	Diana Tibbetts	Phone: 360-534-1520	Date: 01/24/2025
Agency Approval:	Valerie Torres	Phone: 360-534-1521	Date: 01/24/2025
OFM Review:	Megan Tudor	Phone: (360) 890-1722	Date: 01/28/2025

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:
Community Preservation and Development Authorities (CPDAs) are created to restore or enhance the health, safety, and economic well-being of communities adversely impacted by the construction of, or ongoing operation of, multiple major public facilities, public works, and capital projects with significant public funding or by other land use decisions.

CPDAs must demonstrate ongoing accountability for their actions by:
- Reporting to the appropriate committees of the legislature, one year after formation and every biennium thereafter, on the authority's strategic plan, activities, accomplishments, and any recommendations for statutory changes.
- Reporting any changes in the authority's geographic boundaries to the appropriate committees of the legislature when the Legislature next convenes in regular session.

The CPDA Account comprises two subaccounts, one for money to be appropriated for operating purposes and the other for money to be appropriated for capital purposes. Money in the account may be spent only after appropriation.

PROPOSAL:
This bill requires 30% of the state retail sales and use taxes revenue from sales and use occurring at qualified facilities to be deposited into the CPDA Account beginning January 1, 2026.

By November 1 and May 1 each year, the Department of Revenue (department) must calculate the amount of sales and use taxes collected as the result of retail sales at a “qualified facility” during the previous six months and notify the State Treasurer of the amount by December 1 and June 1. The State Treasurer must deposit those funds into the CPDA account by December 31 and June 30 each year.

A "qualified facility" is a facility located in a county with a CPDA meeting one of these requirements:
- A seating capacity of at least 68,000 fixed seats in an open-air stadium with related event space of at least 300,000 square feet.
- A seating capacity of at least 47,000 seats and a retractable roof.

The Joint Legislative Audit and Review Committee must review the CPDA funding provided in this proposal.

The CPDAs must submit biennial reports to the appropriate committees of the Legislature.

This proposal expires on January 1, 2037.

EFFECTIVE DATE:
The bill takes effect 90 days after the 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
- This proposal redirects 30% of state sales and use taxes generated at qualified facilities to the CPDA Account.
-The annual growth rate reflects the Economic and Revenue Forecast Council’s November 2024 statewide taxable retail sales forecast.

- The Office of the State Treasurer (OST) will show the transfer to the CPDA Account on the OST fiscal note.
- The Performance Audits of Government Account receives a 0.16% share of retail sales and use tax collections. The transfer excludes these amounts from the transfer to the CPDA Account.
- Currently, tribes with compacts receive a share of state sales and use taxes and certain business and occupation taxes (RCW 43.06.523). Under this bill, the amount of revenue shared with tribes does not change.
- The May 1, 2026, distribution calculation includes January and February 2026 collections.
- The November 1, 2026, distribution calculation includes collections from March through September 2026.

Ongoing distribution calculations:
- The May 1 calculation includes collections from October through December of the previous year and January and February of the current year.
- The November 1 calculation includes collections from March through September of the current year.

DATA SOURCES
- Department of Revenue, Excise tax data
- Economic and Revenue Forecast Council, November 2024 forecast

REVENUE ESTIMATES
This bill decreases state revenues by an estimated $510,000 in the two months of impacted collections in fiscal year 2026, and by $3.16 million in fiscal year 2027, the first full year of impacted collections.

TOTAL REVENUE IMPACT:

State Government (cash basis, $000):
FY 2026 - ($ 510)
FY 2027 - ($ 3,160)
FY 2028 - ($ 3,280)
FY 2029 - ($ 3,400)
FY 2030 - ($ 3,530)
FY 2031 - ($ 3,660)

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 bill affects three taxpayers.

FIRST YEAR COSTS:
The department will incur total costs of $212,100 in fiscal year 2026. These costs include:

Labor Costs – Time and effort equate to 1.1 FTEs.
- Gathering requirements, attending implementation meetings, and documenting and testing system changes.
- Set up, program, and test computer system changes.
- Process tax return work items, assist taxpayers with reporting questions and respond to inquiries via email, web message and paper correspondence.
- Examine accounts and make corrections as necessary.

Object Costs - $58,400.
- Computer system changes, including contract programming.

SECOND YEAR COSTS:
The department will incur total costs of $25,100 in fiscal year 2027. These costs include:

Labor Costs – Time and effort equate to 0.2 FTE.
- Continued computer system testing, monitoring, and maintenance.
- Process tax return work items, assist taxpayers with reporting questions and respond to inquiries via email, web message and paper correspondence.
- Examine accounts and make corrections as necessary.

ONGOING COSTS:
Ongoing costs for the 2027-29 biennium equal $50,200 and include similar activities described in the second-year costs. Time and effort equate to 0.2 FTE.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.1	0.2	0.7	0.2	0.2
A-Salaries and Wages	97,900	16,100	114,000	32,200	32,200
B-Employee Benefits	35,300	5,800	41,100	11,600	11,600
C-Professional Service Contracts	58,400		58,400		
E-Goods and Other Services	16,100	2,800	18,900	5,600	5,600
J-Capital Outlays	4,400	400	4,800	800	800
Total $	$212,100	$25,100	$237,200	$50,200	$50,200

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

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
EXCISE TAX EX 3	66,012	0.3	0.1	0.2	0.1	0.1
IT B A-JOURNEY	94,728	0.4	0.1	0.3	0.1	0.1
IT QA-SR/SPEC	104,412	0.1		0.1		
IT SYS ADM-JOURNEY	99,444	0.3		0.2		
Total FTEs		1.1	0.2	0.7	0.2	0.2

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

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1408 HB	Title: Community authority funding

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:
- [ ] Legislation provides local option:
- [ ] 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: Tammi Alexander	Phone: 360-725-5038	Date: 01/27/2025
Leg. Committee Contact: Martha Wehling	Phone: 360-786-7067	Date: 01/20/2025
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/27/2025
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 01/28/2025

Part IV: Analysis

A. SUMMARY OF BILL

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

This bill requires 30% of the state retail sales and use taxes revenue from sales and use occurring at qualified facilities to be deposited into the Community Preservation and Development Authorities Account beginning January 1, 2026.

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.

This bill would not impact local government expenditures because no action is required.

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 bill would not impact local government revenues because it only redirects the state portion of sales and use tax revenue, not the local government's portion.

SOURCE:
Department of Revenue fiscal note, HB 1408 (2025)