

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 2766 HB	<b>Title:</b> Manufactured homes/titles
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## Estimated Cash Receipts

NONE

## Estimated Expenditures

Agency Name	2015-17			2017-19			2019-21		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Licensing	.0	0	200,052	.0	0	0	.0	0	0
<b>Total</b>	<b>0.0</b>	<b>\$0</b>	<b>\$200,052</b>	<b>0.0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>	<b>\$0</b>	<b>\$0</b>

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 Capital Budget Impact

NONE

<b>Prepared by:</b> Veronica Jarvis, OFM	<b>Phone:</b> (360) 902-0649	<b>Date Published:</b> Final 2/ 3/2016
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\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2766 HB	<b>Title:</b> Manufactured homes/titles	<b>Agency:</b> 240-Department of Licensing
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
<b>Account</b>					
Motor Vehicle Account-State 108-1	0	200,052	200,052	0	0
<b>Total \$</b>	0	200,052	200,052	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: Kelly Holler	Phone: 360-786-7290	Date: 01/28/2016
Agency Preparation: Sieng Bonham	Phone: 360-902-3642	Date: 02/02/2016
Agency Approval: Dan Weeks	Phone: (360) 902-0147	Date: 02/02/2016
OFM Review: Veronica Jarvis	Phone: (360) 902-0649	Date: 02/03/2016

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years					
E-Goods and Other Services		200,052	200,052		
Total:	\$0	\$200,052	\$200,052	\$0	\$0

III. C - Expenditures By Program (optional)

Program	FY 2016	FY 2017	2015-17	2017-19	2019-21
Information Services (200)		200,052	200,052		
Total \$		200,052	200,052		

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

# Individual State Agency Fiscal Note

Bill Number: <b>HB 2766</b>	Title: <b>Manufactured homes/titles</b>	Agency: <b>240</b> <b>Department of Licensing</b>
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

Fund	FY 16	FY 17	15-17 Total	17-19 Total	19-21 Total
<i>Total</i>					

### Estimated Expenditures from:

	FY 16	FY 17	15-17 Total	17-19 Total	19-21 Total
<b>FTE Staff Years</b>					
<b>Fund</b>					
Motor Vehicle 108-1		200,052	200,052		
Other					
Other					
Other					
<i>Total</i>	0	200,052	200,052	0	0

*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
- ☐ Capital budget impact, complete Part IV
- ☐ Requires new rule making, complete Part V

Legislative Request:	Phone:	Date:
Agency Preparation: Sieng Bonham	Phone: 360-902-3642	Date: 2/1/16
Agency Approval: Dan Weeks/Charles Simchuk	Phone: 360-902-0147	Date: 2/1/16

Request #: 1

Bill: HB 2766

## **Part II: Explanation**

This bill authorizes the issuance of a temporary certificate of title for a manufactured home and withhold issuance of a new certificate of title or require a bond as if the department is not satisfied as to the ownership of the manufactured home or that there are no undisclosed security interests in the manufactured home.

### **II. A – Brief Description of What the Measure Does that Has Fiscal Impact**

1. Section 1 adds a new section in chapter 46.12 RCW for manufactured homes that:
  - Creates a temporary certificate of title.
  - Creates a one year ownership in doubt process.
  - Allows issuance of a clean title after the one-year has expired.
2. Process should mirror existing ownership in doubt process:
  - The system will not include the expiration date of the temporary certificate of title, or bonded title.
  - The value of the manufactured home for purposes of bonding will be determined by the business.
  - The value of the bond will not be stored in the system.
3. Issuance of temporary title document is based on customer request (may do ownership in doubt process under RCW 46.12.680 without issuance of a title document)
4. Manufactured homes includes mobile homes.
5. Need to print a paper title for manufactured homes when a transaction is completed for a temporary certificate of title.
6. “TEMPORARY – OWNERSHIP IN DOUBT” is to be listed in the comments section on the title.
7. Business to conduct performance and user acceptance testing.
8. Valuation of manufactured homes determined as currently through Automated Valuing System (AVS).

This bill is effective 90 days sine die.

### **II. B – Cash Receipt Impact**

NO REVENUE IMPACT.

This bill would create a separate authorization for the issuance of a temporary certificate of title for manufactured homes. This type of title currently exists in RCW 46.12.680 which applies to most vehicles (manufactured homes are included as vehicles). Current law provides for a bonding period of three years for all vehicles. The proposed separate section for manufactured homes under this bill differs from RCW 46.12.680 mainly by changing the bonding period to one year from the three years under current law. This change is not expected to change the number of temporary certificates of titles issued, hence no change in revenue.

### **II. C – Expenditures**

#### **Information System Cost Summary Statement:**

Enhancements will need to be made to DRIVES & DOL Legacy applications to:

- Allow the issuance of a temporary certificate of title for manufactured homes expiring after one year and be noted on the record;
- Allow the issuance of a new certificate of title.
- Allow for a comment to be added to a title which will indicate it is a temporary title.
- Allow bonded titles using the existing ownership in doubt process for manufactured homes.

#### **Cost Analysis for DRIVES vs. DOL legacy application:**

- The enhancement to DRIVES will have no financial impact because the changes will be part of rollout one, but will create a higher level of risk to the project.

Breakdown of Contracted IS Startup Costs:					
Cost Category	Description	FY 16 Months	FY 17 Months	Rate	Cost
Developer/Tester	Modify programming and coding to all major systems; test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	-	6.2	\$18,444	\$114,353
Analyst	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	-	0.8	\$26,448	\$21,158
Project Manager	Manage schedule and contracts	-	0.6	\$27,492	\$16,495
QA Oversight*	Plan and carry out activities to assure project deliverables; e.g. preventative defect activities, align quality measures and business objectives.	-	0.6	\$31,668	\$19,001
Architect	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.	-	0.4	\$27,144	\$10,858
ITS	Information Services' Technical Services Infrastructure.	-	-	\$18,444	\$0
Project Contingency	OCIO designated rate of 10%				\$18,187
		-	8.6		\$200,052

\* DOL includes QA oversight costs estimates for fiscal note evaluations per the requirement of OCIO Policy 132. DOL has requested an exemption to this requirement for legislative requests and will adjust cost estimates as appropriate following a determination from the OCIO.

### Part III: Expenditure Detail

#### III. A – Expenditures by Object or Purpose

	FY 16	FY 17	15-17 Total	17-19 Total	19-21 Total
FTE Staff Years					
Goods and Services		200,052	200,052		
<b>TOTAL</b>		<b>200,052</b>	<b>200,052</b>		

#### III. A (1) – Detail of Expenditures by Sub-Object for Goods & Services

Object E Breakdown:	FY 16	FY 17	15-17 Total	17-19 Total	19-21 Total
ER Application Programmers		200,052	200,052		
<b>Total Goods &amp; Svcs</b>		<b>200,052</b>	<b>200,052</b>		

#### III. B – Expenditures by Program (optional)

Program	FY 16	FY 17	15-17 Total	17-19 Total	19-21 Total
100 - Mgmt & Support Services					
200 - Information Services		200,052	200,052		
Total	-	200,052	200,052	-	-

#### **Part IV: Capital Budget Impact**

None.

#### **Part V: New Rule Making Required**

None.

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

<b>Bill Number:</b> 2766 HB	<b>Title:</b> Manufactured homes/titles
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## Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

### Legislation Impacts:

- ☐ Cities:
- ☒ Counties: County auditors petitioned for a temporary certificate of title
- ☐ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

## Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☒ Key variables cannot be estimated with certainty at this time: The number of temporary certificates of title or bonds that may be either requested, and the number of petitions for a court to rule on status of ownership.

### Estimated revenue impacts to:

Indeterminate Impact

### Estimated expenditure impacts to:

Indeterminate Impact

## Part III: Preparation and Approval

Fiscal Note Analyst: Buck Lucas	Phone: 360/725-5040	Date: 02/02/2016
Leg. Committee Contact: Kelly Holler	Phone: 360-786-7290	Date: 01/28/2016
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 02/02/2016
OFM Review: David Dula	Phone: (360) 902-7437	Date: 02/03/2016



## Part IV: Analysis

### A. SUMMARY OF BILL

*Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.*

This legislation would allow county auditors to issue temporary certificates of title when the ownership of a manufactured home is in doubt.

Section 1(3) -- A bond may be required to release a new certificate of title, and shall be one and one half times the value of the property.

Section 1(4) -- A person who held interest in the home may petition a district or superior court of any county regarding ownership or compensation. The total claim cannot be greater than the provided bond.

### B. SUMMARY OF EXPENDITURE IMPACTS

*Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.*

This legislation would have an indeterminate expenditure impact on local governments.

Under this bill (Section 1(2)(b), private persons may petition a district or superior court in any county as to the status of ownership for a mobile home. The number of petitions that private persons may file in a district or superior court is indeterminate.

### C. SUMMARY OF REVENUE IMPACTS

*Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.*

This legislation would have an indeterminate revenue impact on local governments.

Under this bill, owners and potential owners of manufactured homes, or mobile homes, must submit requests for a temporary certificate of title to county auditors. The standard charge for such a transaction is \$15, following Chapter 46.17.100 RCW, at any Department of Licensing (DOL) facility, county auditor's office, or by other approved agents. It is indeterminate how many requests for a temporary certificate of title would be received by county auditors. It is also indeterminate how much may be remitted to county auditors for the bond required for a temporary certificate of title, as required under Section 1(3).

As an illustrative example of the potential revenues that may be received by county auditors, if 50 private persons request a temporary certificate of title, then each would be charged the \$15 fee, for a total of \$625 in revenue.

To provide the most conservative estimate for a range of mobile home values, this analysis will be based on the price of new and used mobile homes in Washington State, which is between \$25,000 and \$125,000. The estimated value of the bond required for a temporary certificate of title, under this analysis, would be between \$37,500 and \$187,500. County auditors would not receive the temporary certificate of title bond as revenue, but simply hold the bond as a liability against persons who may file a claim, or petition against the property. The bond would be refunded to the title holder after one year.

#### SOURCES:

Association of Washington Cities (AWC)  
Department of Licensing  
Detray's Custom Housing, LLC.  
American Home Center  
21st Century Mortgage Corporation