

Multiple Agency Fiscal Note Summary

Bill Number: 5916 SB	Title: Broadband deployment
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Estimated Cash Receipts

Agency Name	2009-11		2011-13		2013-15	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Revenue	(1,000,000)	1,000,000	(1,000,000)	1,000,000	(1,000,000)	1,000,000
Total \$	(1,000,000)	1,000,000	(1,000,000)	1,000,000	(1,000,000)	1,000,000

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2009-11			2011-13			2013-15		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Revenue	.2	34,500	34,500	.2	30,800	30,800	.2	30,800	30,800
Department of Information Services	Fiscal note not available								
Higher Education Coordinating Board	Fiscal note not available								
Community and Technical College System	.0	0	0	.0	0	0	.0	0	0
Total	0.2	\$34,500	\$34,500	0.2	\$30,800	\$30,800	0.2	\$30,800	\$30,800

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

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Prepared by: Regan Hesse, OFM	Phone: 360-902-9820	Date Published: Preliminary
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

Department of Revenue Fiscal Note

Bill Number: 5916 SB	Title: Broadband deployment	Agency: 140-Department of Revenue
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2010	FY 2011	2009-11	2011-13	2013-15
GF-State-State 01 - Taxes 05 - Bus and Occup Tax	(500,000)	(500,000)	(1,000,000)	(1,000,000)	(1,000,000)
WA Comm Tech Oppor Acct-State 00 - 00 -	1,000,000	1,000,000	2,000,000	2,000,000	2,000,000
Total \$	500,000	500,000	1,000,000	1,000,000	1,000,000

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	0.2	0.2	0.2	0.2	0.2
Fund					
GF-STATE-State 001-1	19,100	15,400	34,500	30,800	30,800
Total \$	19,100	15,400	34,500	30,800	30,800

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: Justin Montermini	Phone: 360-786-7409	Date: 02/10/2009
Agency Preparation: Ray Philen	Phone: 360-570-6078	Date: 02/20/2009
Agency Approval: Kim Davis	Phone: 360-570-6087	Date: 02/20/2009
OFM Review: Ryan Black	Phone: 360-902-0417	Date: 02/21/2009

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.

Note: This fiscal note reflects a revision to the revenue impact, and supersedes fiscal note number 5916-1.

A telecommunications company as defined in RCW 80.04.010 is allowed a credit against business and occupation taxes due in an amount equal to 50 percent of contributions made in any fiscal year directly to the Washington community technology opportunity account. Credits are available on a first in-time basis. The Department of Revenue (Department) must disallow any credits, or portion thereof, that would cause the total amount of credits claimed under this section during any calendar year to exceed \$500,000.

Taxes collected under RCW 82.29A.030, leasehold excise tax, from a telecommunications company, as defined in RCW 80.04.010, as a result of the company's leasehold interest in publicly owned property shall be deposited in the Washington community technology opportunity account.

RCW 80.04.010 "Telecommunications company" includes every corporation, company, association, joint stock association, partnership and person, their lessees, trustees, or receivers appointed by any court whatsoever, and every city or town owning, operating, or managing any facilities used to provide telecommunications for hire, sale, or resale to the general public within this state.

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.

ASSUMPTIONS/DATA SOURCES

Though the bill provides a credit equal to only 50 percent of the contribution, the combined state and federal tax benefit to telecommunications companies could be over 80 percent of their contributions. This will provide more incentive for contributions to be made. It is assumed that the statewide credit cap of \$500,000 will be reached annually.

REVENUE ESTIMATES

Applying the assumption above, this bill will reduce state general fund revenue by \$500,000 in Fiscal Year 2010 and \$500,000 each year thereafter. However, the Washington community technology opportunity account will receive \$1 million a year. As such, the state will net a positive revenue impact under this bill.

Telecommunications companies as defined in RCW 80.04.010 are mostly centrally assessed as directed by RCW 84.12.270 and are therefore exempt from leasehold excise tax. The amount of leasehold excise tax paid by telecommunications companies is not reported directly to the Department of Revenue and cannot be estimated. The amount of state and local revenue shifted to the Washington community technology opportunity account created in section 4 is believed to be small.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2010 -	\$ 500
FY 2011 -	\$ 500
FY 2012 -	\$ 500

FY 2013 - \$ 500
 FY 2014 - \$ 500
 FY 2015 - \$ 500

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

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

To implement this legislation, the Department will incur costs of approximately \$19,100 in Fiscal Year 2010. These costs are for monitoring the reports to see when caps are met, doing necessary adjustments to assess for over deductions, and notifying taxpayers when caps are met. These costs are ongoing. Time and effort equates to approximately 0.2 FTE. A one-time cost of \$2,100 for mailings to municipalities and companies is also involved.

The Department will incur costs of approximately \$15,400 in Fiscal Year 2011. These are ongoing costs noted above.

The Department will incur costs of approximately \$30,800 during each of the 2011-2013 and 2013-2015 Biennia. These are ongoing costs noted above.

Due to the effective date of the bill, the Department will incur costs of approximately \$32,400 in Fiscal Year 2009. These costs are for programming to set up, test, and verify the computer systems for the new credit. Time and effort equates to approximately 0.3 FTE.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	0.2	0.2	0.2	0.2	0.2
A-Salaries and Wages	10,100	10,100	20,200	20,200	20,200
B-Employee Benefits	2,500	2,500	5,000	5,000	5,000
E-Goods and Services	5,200	2,600	7,800	5,200	5,200
J-Capital Outlays	1,300	200	1,500	400	400
Total \$	\$19,100	\$15,400	\$34,500	\$30,800	\$30,800

III. B - 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 2010	FY 2011	2009-11	2011-13	2013-15
EXCISE TAX EX 3	50,563	0.2	0.2	0.2	0.2	0.2
Total FTE's	50,563	0.2	0.2	0.2	0.2	0.2

Part IV: Capital Budget Impact

NONE.

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.

No rule-making required.

Individual State Agency Fiscal Note

Bill Number: 5916 SB	Title: Broadband deployment	Agency: 699-Community/Technical College System
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Part I: Estimates

No Fiscal Impact

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

Legislative Contact: Justin Montermini	Phone: 360-786-7409	Date: 02/10/2009
Agency Preparation: Paula Moore	Phone: 360-704-4384	Date: 02/16/2009
Agency Approval: Denise Graham	Phone: 360-704-4350	Date: 02/16/2009
OFM Review: Marc Webster	Phone: 360-902-0650	Date: 02/16/2009

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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.

In 2008 the Department of Information Services (DIS) was directed to convene a High-Speed Internet Strategy Work Group (the work group) and work with it to develop a statewide High-Speed Internet Deployment and Adoption Strategy. The work group included a representative from the State Board for Community and Technical Colleges.

SB 5916 reconvenes the work group and renames it the Advisory Council on Digital Inclusion. The council is to report by January 15 on a number of policy issues detailed in the bill.

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.

The State Board can accomplish the work associated with SB 5916's Advisory Council on Digital Inclusion within existing resources.

Part III: Expenditure Detail

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.