

Multiple Agency Fiscal Note Summary

Bill Number: 5147 SB	Title: Surcharge on vehicle ins
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Estimated Cash Receipts

Agency Name	2007-09		2009-11		2011-13	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Revenue	0	18,237,000	0	20,433,000	0	20,964,000
Total \$	0	18,237,000	0	20,433,000	0	20,964,000

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

Estimated Expenditures

Agency Name	2007-09			2009-11			2011-13		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Revenue	.2	37,300	37,300	.0	0	0	.0	0	0
Office of Insurance Commissioner	.0	0	0	.0	0	0	.0	0	0
Washington State Patrol	.0	0	1,000,000	.0	0	1,000,000	.0	0	1,000,000
Traffic Safety Commission	.5	0	6,088,000	.5	0	6,811,000	.5	0	6,988,000
Total	0.7	\$37,300	\$7,125,300	0.5	\$0	\$7,811,000	0.5	\$0	\$7,988,000

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

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Prepared by: Doug Jenkins, OFM	Phone: 360-902-0563	Date Published: Final 1/17/2007
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 14575

Department of Revenue Fiscal Note

Bill Number: 5147 SB	Title: Surcharge on vehicle ins	Agency: 140-Department of Revenue
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2008	FY 2009	2007-09	2009-11	2011-13
State Patrol Highway Acct-State 00 - 00 -	5,469,000	6,680,000	12,149,000	13,622,000	13,976,000
Highway Safety Acct-State 00 - 00 -	2,748,000	3,340,000	6,088,000	6,811,000	6,988,000
Total \$	8,217,000	10,020,000	18,237,000	20,433,000	20,964,000

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	0.5		0.2		
Fund					
GF-STATE-State 001-1	37,300		37,300		
Total \$	37,300		37,300		

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: 01/10/2007
Agency Preparation: Valerie Torres	Phone: 360-5706084	Date: 01/12/2007
Agency Approval: Don Gutmann	Phone: 360-570-6073	Date: 01/12/2007
OFM Review: Doug Jenkins	Phone: 360-902-0563	Date: 01/15/2007

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.

This bill imposes a \$2 surcharge on motor vehicle liability insurance policies to fund high-accident-corridor locations on state routes and funding to create a program for high-accident-corridor locations on county roads. The insurer collects the surcharge and gives it to the Department of Revenue (Department). Two-thirds of the collected surcharges are deposited in the state patrol highway account to be used for emphasis patrols in high-accident-corridor locations on state routes. The rest of the collected surcharges are deposited in the highway safety fund to be used to create an emphasis patrol program for high-accident-corridors on county roads. The surcharge is not considered premiums nor state or local business and occupation taxes.

Section 1, a new section, imposes the annual surcharge which applies to every motor vehicle liability insurance policy issued or renewed after August 1, 2007. The insurer collects the surcharge and remits it to the Department. The Office of the Insurance Commissioner provides the Department with the information to collect the surcharge. Insurers are required to register with the Department. This section also defines the breakdown between the state patrol highway account and the highway safety fund.

Section 2 and 3 amend the definition of premium to not include the annual surcharge.

Section 4, a new section, makes it a gross misdemeanor for the insurer to use the money being held in trust for the Department for any use except paying the Department. The insurer is also responsible for collecting the surcharge and is liable if he/she fails to collect it or fails to pay the Department. This section also makes the surcharge a debt owed the insurer and a misdemeanor if the insured refuses to pay the surcharge.

Section 5 and 6, new sections, make this surcharge not a state nor a municipal business and occupation tax.

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

Direct information on the number of motor vehicle liability insurance policies was not readily available, so Department of Licensing data sources on the number of vehicle registrations by Class and County were used to determine the total number of registered motor vehicles in the state, and then those that were expected to not require liability insurance were subtracted out to get to the total number of motor vehicles that would be listed on a liability insurance policy.

The Insurance Research Council's new release for the Estimated Percentage of Uninsured Motorists by State in 2004 listed Washington as having 18 percent uninsured motorists in 2004. This percentage was grown at the same rate as found in this report from 1999 to 2004. Thus, in 2006 Washington had 18.76 percent uninsured motorists.

It was assumed that the rate of registered vehicles would continue to grow at the same rate as from 2001 - 2006 and that the uninsured motorist would continue to grow at the same rate.

REVENUE ESTIMATES

The number of expected vehicles to be listed on a liability insurance policy was multiplied by the \$2 surcharge. This amount was then split two-thirds to the State Patrol Highway fund with the remainder to the Highway Safety Fund.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2008 - \$ 8,217
FY 2009 - \$ 10,020
FY 2010 - \$ 10,151
FY 2011 - \$ 10,282
FY 2012 - \$ 10,415
FY 2013 - \$ 10,549

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.

To implement this legislation the Department will incur costs of approximately \$37,300 during Fiscal Year 2008.

These are programming costs to set up, test, and verify the applications necessary to implement the surcharge found in this legislation. Time and effort for programming costs would equate to 0.5 FTE.

Without an appropriation to cover the expenditure impact, the Department may not be fully able to implement the legislation.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	0.5		0.2		
A-	25,000		25,000		
B-	6,300		6,300		
E-	3,100		3,100		
J-	2,900		2,900		
Total \$	\$37,300		\$37,300		

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 2008	FY 2009	2007-09	2009-11	2011-13
IT SPEC 4	54,372	0.5		0.2		
Total FTE's		0.5		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: 5147 SB	Title: Surcharge on vehicle ins	Agency: 160-Office of Insurance Commissioner
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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.
- ☐ 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: 01/10/2007
Agency Preparation: Kacy Scott	Phone: (360) 725-7041	Date: 01/16/2007
Agency Approval: Kacy Scott	Phone: (360) 725-7041	Date: 01/16/2007
OFM Review: Doug Jenkins	Phone: 360-902-0563	Date: 01/16/2007

Individual State Agency Fiscal Note

Bill Number: 5147 SB	Title: Surcharge on vehicle ins	Agency: 225-Washington State Patrol
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
Fund					
State Patrol Highway Account-State 081-1	500,000	500,000	1,000,000	1,000,000	1,000,000
Total \$	500,000	500,000	1,000,000	1,000,000	1,000,000

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: 01/10/2007
Agency Preparation: Shawn Eckhart	Phone: 360-753-5763	Date: 01/11/2007
Agency Approval: Diane C. Perry	Phone: 360-753-0221	Date: 01/16/2007
OFM Review: Garry Austin	Phone: 360-902-0564	Date: 01/17/2007

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.

Senate Bill 5147 adds a surcharge of \$2.00 per vehicle that would be included in the premiums for all motor vehicle liability insurance policies. This revenue would be collected by the Washington State Department of Revenue. Two-thirds of the revenue would go into the State Patrol Highway Account for emphasis patrols on high-accident-corridors on state routes. One-third of the revenue would go into the Highway Safety Fund to create a county road high-accident-corridor emphasis patrol program to be managed by the Washington Traffic Safety Commission (WTSC). Under the county road program, counties will apply for emphasis patrols on specific high-accident-corridors within their counties. WTSC will approve requests, and WSP will conduct the emphasis patrols. High-accident-corridor means a highway of one mile or more where a five-year analysis of collision history indicates that the highway section has a higher than average collision and severity factor.

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.

WSP assumes the revenue created by this legislation would be collected by the Washington State Department of Revenue and deposited in the State Patrol Highway Account. There would be no cash receipts by the Washington State Patrol.

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.

There are currently only five (5) high-accident-corridors (HACs) identified on state routes. The limited number of HACs, and the fact that they can shift from area to area, would make the assignment of new regular FTEs for the express purpose of emphases on HACs difficult to accomplish.

The agency anticipates using funding from this legislation for overtime emphases. Overtime emphasis shifts vary in length. If the agency runs about thirty 6-hour overtime shifts per month on each HAC for an average of 180 hours a month, incurring costs at an average rate of about \$46 per hour per trooper, that would be a monthly cost of \$8,280 per corridor per month. The annual cost would be \$99,360 per HAC. Five HACS would bring the annual total costs to about \$500,000.

The agency would respond to requests from the counties via the Washington Traffic Safety Commission (WTSC) for emphasis patrols on county road HACs. For the same reason as above, WSP would work the county HACs with overtime. It is indeterminate at this time what the counties would request and, with limited manpower resources, how much such work WSP would be able to undertake.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years					
A-Salaries and Wages	430,000	430,000	860,000	860,000	860,000
B-Employee Benefits	70,000	70,000	140,000	140,000	140,000
C-Personal Service Contracts					
E-Goods and Services					
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					
Total:	\$500,000	\$500,000	\$1,000,000	\$1,000,000	\$1,000,000

Part IV: Capital Budget Impact

There is no impact on WSP's capital budget as a result of this legislation.

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.

The legislation will not require rule changes.

Individual State Agency Fiscal Note

Bill Number: 5147 SB	Title: Surcharge on vehicle ins	Agency: 228-Wash Traffic Safety Commission
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	0.5	0.5	0.5	0.5	0.5
Fund					
Highway Safety Account-State 106-1	2,748,000	3,340,000	6,088,000	6,811,000	6,988,000
Total \$	2,748,000	3,340,000	6,088,000	6,811,000	6,988,000

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:

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

Legislative Contact:	Phone:	Date: 01/10/2007
Agency Preparation: Steve Lind	Phone: 360-753-6538	Date: 01/15/2007
Agency Approval: Steve Lind	Phone: 360-753-6538	Date: 01/15/2007
OFM Review: Garry Austin	Phone: 360-902-0564	Date: 01/15/2007

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.

Section 1 of the bill directs the Washington Traffic Safety Commission to administer a high-accident-corridor emphasis patrol program on county roads. WTSC is required to determine what criteria to use in awarding these emphasis patrols and provide grant funds to the WSP to provide additional emphasis patrols on county roads.

Overall management of this program will be assigned to an existing WTSC staff program manager. WTSC will require an additional one-half FTE to provide clerical/fiscal support, including processing vouchers, tracking grant requests, maintaining a matrix of high crash county roads, tracking effectiveness evaluation reports and other support functions as required..

Funding for this FTE is requested from Fund # 106, Highway Safety Account - 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.

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.

Salaries and benefits for a one-half time clerical/accounting position to support processing grant requests from local law enforcement agencies and to process vouchers for reimbursement and project progress reports. The Grants, Benefits & Client Services expenditure would provide grants to the Washington State Patrol to provide traffic enforcement on county roads.

The anticipated expenditures listed above are based on DOR/DOL forecasts.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	0.5	0.5	0.5	0.5	0.5
A-Salaries and Wages	13,500	13,500	27,000	27,000	27,000
B-Employee Benefits	5,500	5,500	11,000	11,000	11,000
C-Personal Service Contracts					
E-Goods and Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	2,729,000	3,321,000	6,050,000	6,773,000	6,950,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$2,748,000	\$3,340,000	\$6,088,000	\$6,811,000	\$6,988,000

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 2008	FY 2009	2007-09	2009-11	2011-13
Clerical/fiscal support	38,000	0.5	0.5	0.5	0.5	0.5
Total FTE's		0.5	0.5	0.5	0.5	0.5

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.