# Multiple Agency Fiscal Note Summary

| Bill Number: 3161 HB | Title: Oil windfall profits |
|---|---|

## Estimated Cash Receipts

| Agency Name | 2009-11 | | 2011-13 | | 2013-15 | |
|---|---|---|---|---|---|---|
| | GF- State | Total | GF- State | Total | GF- State | Total |
| Office of State Treasurer | Non-zero but indeterminate cost. Please see discussion." | | | | | |
| Department of Commerce | 0 | 0 | 0 | 90,200,250 | 0 | 133,402,500 |
| Department of Revenue | 0 | 0 | 287,400,000 | 287,400,000 | 268,200,000 | 268,200,000 |
| Department of General Administration | Non-zero but indeterminate cost. Please see discussion." | | | | | |
| **Total $** | **0** | **0** | **287,400,000** | **377,600,250** | **268,200,000** | **401,602,500** |

| | | | | | | |
|---|---|---|---|---|---|---|
| Local Gov. Courts * | | | | | | |
| Local Gov. Other ** | Non-zero but indeterminate cost. Please see discussion. | | | | | |
| 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 |
| Administrative Office of the Courts | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | |
| Office of State Treasurer | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Department of Commerce | .0 | 0 | 0 | 5.9 | 0 | 90,200,250 | 5.9 | 0 | 133,402,500 |
| Department of Revenue | .6 | 133,800 | 133,800 | 2.0 | 373,500 | 373,500 | 1.8 | 240,800 | 240,800 |
| Board of Tax Appeals | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Department of General Administration | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | |
| Department of Corrections | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | |
| Sentencing Guidelines Commission | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Department of Ecology | .0 | 0 | 0 | 2.3 | 0 | 5,173,200 | 2.3 | 0 | 4,827,600 |
| **Total** | **0.6** | **$133,800** | **$133,800** | **10.2** | **$373,500** | **$95,746,950** | **10.0** | **$240,800** | **$138,470,900** |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Local Gov. Courts * | Non-zero but indeterminate cost. Please see discussion. | | | | | | | | |
| Local Gov. Other ** | Non-zero but indeterminate cost. Please see discussion. | | | | | | | | |
| Local Gov. Total | | | | | | | | | |

* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 26188

## Estimated Capital Budget Impact

| Agency Name | 2009-11 | | 2011-13 | | 2013-15 | |
|---|---|---|---|---|---|---|
| | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
| Board of Tax Appeals | | | | | | |
| Acquisition | 0 | 0 | 0 | 0 | 0 | 0 |
| Construction | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Department of Commerce | | | | | | |
| Acquisition | 0 | 0 | 0 | 0 | 0 | 0 |
| Construction | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 16,470,000 | 35,073,000 | 37,665,000 | 38,565,000 |
| Department of General Administration | | | | | | |
| Acquisition | 0 | 0 | 0 | 0 | 0 | 0 |
| Construction | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 1,800,000 | 1,800,000 | 1,800,000 |
| **Total $** | **$0** | **$0** | **$16,470,000** | **$36,873,000** | **$39,465,000** | **$40,365,000** |

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projeciton showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

| Prepared by: Ryan Black, OFM | Phone: | Date Published: |
|---|---|---|
| | 360-902-0417 | Revised |

* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 26188

# Judicial Impact Fiscal Note

| Bill Number: 3161 HB | Title: Oil windfall profits | Agency: 055-Admin Office of the Courts |
|---|---|---|

## Part I: Estimates

☐ **No Fiscal Impact**

**Estimated Cash Receipts to:**

| Account | FY 2010 | FY 2011 | 2009-11 | 2011-13 | 2013-15 |
|---|---|---|---|---|---|
| Counties | | | | | |
| Cities | | | | | |
| **Total $** | | | | | |

**Estimated Expenditures from:**

**Non-zero but indeterminate cost. Please see discussion.**

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be*

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.

| Contact | | Phone: | Date: 02/01/2010 |
|---|---|---|---|
| Agency Preparation: | Gil Austin | Phone: 360-705-5271 | Date: 02/05/2010 |
| Agency Approval: | Julia Appel | Phone: (360) 705-5229 | Date: 02/05/2010 |
| OFM Review: | Cherie Berthon | Phone: 360-902-0659 | Date: 02/05/2010 |

Request # -2

## Part II: Narrative Explanation

**II. A - Brief Description Of What The Measure Does That Has Fiscal Impact on the Courts**

This bill contains 32 new sections, including a new title under RCW 82A; imposes a tax on the taxable income of petroleum business within Washington state and provides for the administration of the tax; requires the Department of General Administration to administer a grant program for state agencies and school districts to provide funds for the construction of energy conservation projects; and requires the Department of Commerce to administer a renewable energy grant program for Washington businesses that invest in renewable energy sources.

Section 21 involves the courts and creates new provisions under a new title under RCW 82A. These sections provide that any person who knowingly attempts to evade the tax imposed under this title or payment thereof is guilty of a class C felony.
A person required to collect tax imposed under this title who knowingly fails to collect, truthfully account for, or pay over the tax is guilty of a class C felony.
A person who knowingly fails to pay tax, estimated tax, make returns, keep records, or supply information as required under this title is guilty of a gross misdemeanor.

**II. B - Cash Receipts Impact**

**II. C - Expenditures**

Only Section 21 of the bill directly involves the courts. This section creates new provisions for offenses and prescribes penalties.

The Washington State Department of Revenue (DOR) assumes the actions under Section 21 apply only to the three refineries in Washington state. There is no data on which to estimate the fiscal impact of this bill. However, given the limited number of corporations the DOR expects this bill will apply to, it is assumed the fiscal impact will be less than $50,000 per year.

The $50,000 expenditure level represents approximately 82 hours (0.07 FTE) of superior court judicial officer time annually cumulative for all superior courts in the state with associated support staff and operational costs. It is assumed, therefore, that this bill would require less than 82 hours of judicial officer time statewide on an annual basis.

## Part III: Expenditure Detail

## Part IV: Capital Budget Impact

# Individual State Agency Fiscal Note

| Bill Number: 3161 HB | Title: Oil windfall profits | Agency: 090-Office of State Treasurer |
|---|---|---|

## Part I: Estimates

☐ **No Fiscal Impact**

**Estimated Cash Receipts to:**

**Non-zero but indeterminate cost. Please see discussion.**

**Estimated Expenditures from:**

| | FY 2010 | FY 2011 | 2009-11 | 2011-13 | 2013-15 |
|---|---|---|---|---|---|
| **Account** | | | | | |
| | | | | | |
| **Total $** | | | | | |

**Estimated Capital Budget Impact:**

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| **Total $** | | | | | | |

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*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: 02/01/2010 |
| Agency Preparation: | Dan Mason | Phone: 360-902-9090 | Date: 02/02/2010 |
| Agency Approval: | Dan Mason | Phone: 360-902-9090 | Date: 02/02/2010 |
| OFM Review: | Mike Steenhout | Phone: 360-902-0554 | Date: 02/03/2010 |

Request # 076-1

## 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.*

HB 3161 creates the energy and transportation reserve account. Earnings from investments will be credited to the general fund.

Earnings from investments:
Estimated earnings from investments are indeterminable. Without projected cash flows, OST is unable to estimate the earnings from investments. The amount of earnings by an account is a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period in question. Accordingly, even with a beginning balance of zero, two accounts with the same overall level of receipts, disbursements, and transfers can have different average daily balances, and hence different earnings.

Based on the November 2009 Revenue Forecast, the net rate for estimating earnings for FY 10 is 0.90% and FY 11 is 0.90%. Approximately $9,000 in FY 10 and $9,000 in FY 11 in net earnings and $5,000 in OST management fees would be gained or lost annually for every $1 million increase or decrease in average daily balance.

Debt Limit:
There may be an impact on the debt service limitation calculation. Any change to the earnings credited to the general fund will change, by an equal amount, general state revenues.

**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.*

HB 3161 creates the energy and transportation reserve account. Earnings from investments will be credited to the general fund.

**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 2010 | FY 2011 | 2009-11 | 2011-13 | 2013-15 |
|---|---|---|---|---|---|
| FTE Staff Years | | | | | |
| | | | | | |
| **Total:** | | | | | |

## 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: 3161 HB | Title: Oil windfall profits | Agency: 103-Department of Commerce |
|---|---|---|

## Part I: Estimates

☐ **No Fiscal Impact**

**Estimated Cash Receipts to:**

| ACCOUNT | FY 2010 | FY 2011 | 2009-11 | 2011-13 | 2013-15 |
|---|---|---|---|---|---|
| Energy Freedom Account-State 10R-1 | | | | 51,543,000 | 76,230,000 |
| Renewable Energy Grant Program-State New-1 | | | | 38,657,250 | 57,172,500 |
| **Total $** | | | | 90,200,250 | 133,402,500 |

**Estimated Expenditures from:**

| | FY 2010 | FY 2011 | 2009-11 | 2011-13 | 2013-15 |
|---|---|---|---|---|---|
| FTE Staff Years | 0.0 | 0.0 | 0.0 | 5.9 | 5.9 |
| **Account** | | | | | |
| Energy Freedom Account-State 10R-1 | 0 | 0 | 0 | 51,543,000 | 76,230,000 |
| Renewable Energy Grants-State New-1 | 0 | 0 | 0 | 38,657,250 | 57,172,500 |
| **Total $** | 0 | 0 | 0 | 90,200,250 | 133,402,500 |

**Estimated Capital Budget Impact:**

| | 2009-11 | | 2011-13 | | 2013-15 | |
|---|---|---|---|---|---|---|
| | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
| Acquisition | 0 | 0 | 0 | 0 | 0 | 0 |
| Construction | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 16,470,000 | 35,073,000 | 37,665,000 | 38,565,000 |
| **Total $** | **$0** | **$0** | **$16,470,000** | **$35,073,000** | **$37,665,000** | **$38,565,000** |

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates,*

Check applicable boxes and follow corresponding instructions:

- [X] 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: 02/01/2010 |
| Agency Preparation: | Cory Plantenberg | Phone: (360) 725-3111 | Date: 02/09/2010 |
| Agency Approval: | Tony Usibelli | Phone: 360-725-3110 | Date: 02/09/2010 |
| OFM Review: | Tristan Wise | Phone: (360) 902-0538 | Date: 02/09/2010 |

## 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 tax on income of petroleum businesses and utilizes the revenue from this new tax for a variety of community reinvestments.

Section 22 creates an energy and transportation reserve account into which the proceeds of the tax imposed by the bill are deposited. Beginning January 1, 2012, 18% of the funds in the reserve account are transferred to the energy freedom account every six months and 13 ½ % of the funds are transferred to the Department of Commerce every six months for a new business renewable energy grant program.

Section 23 increases the maximum grant that the Department of Commerce may approve from the energy freedom account from $5 million to $15 million.

Section 40 creates a new business energy grant program in the Department of Commerce to distribute grants to businesses that invest in renewable energy sources.

### 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.*

The Department of Revenue estimates collecting the following new tax revenue under section 22 of this bill in FY12-15:

FY12: $183,000,000
FY13: $206,700,000
FY14: 211,800,000
FY15: $216,700,000

Under section 22(3)(a), 18% of this oil tax revenue must be deposited into the energy freedom account every six months, beginning on January 1, 2012. Because distributions begin in January of 2012, only one distribution to Commerce will occur in FY12. The Department of Commerce estimates the following cash receipts to the energy freedom account in each fiscal year:

FY12: $16,470,000
FY13: $35,073,000
FY14: $37,665,000
FY15: $38,565,000

Under section 22(3)(g), 13 ½ % of the oil tax revenue must be distributed to the Department of Commerce every six months, beginning January 1, 2012, for the business renewable energy grant program. Because distributions begin in January of 2012, only one distribution to Commerce will occur in FY12. Commerce estimates the following cash receipts to this new account each fiscal year:

FY12: $12,352,500
FY13: $26,304,750
FY14: $28,248,750
FY15: $28,923,750

**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.*

Sections 23 & 24 will require 2.0 FTE Senior Energy Policy Specialists to manage the Energy Freedom Grants including travel and resulting goods and services. This is a capital program.

Salaries and Benefits

FY12 -15 - $243,440 each fiscal year

Goods and Services (G&S)

FY12 -15 - $100,770 each fiscal year
-standard G&S: $92,658
-space and utilities: $5,112
-non-standard G&S: $3,000 for Attorney General services

Note: Standard goods and services costs include supplies and materials, employee development and training, mandatory state seat of government and Department of Personnel charges, and Commerce agency administration. Commerce administration provides general standard governmental services including, but not limited to: budgeting, accounting, payroll, and purchasing services; personnel and employee services; internal information technology systems, desktop and network support services; facilities management services; public affairs services; policy and risk management services; and other support services.

Travel

FY12-15: $1,367 each fiscal year for ten in state trips per year

Capital Outlay

FY12: $6,600 for two standard office packages

Grants

FY12: $16,117,823
FY13: $34,727,423
FY14: $37,319,423
FY15: $38,219,423

Total for Sections 23 and 24

FY12: $16,470,000
FY13: $35,073,000
FY14: $37,665,000
FY15: $38,565,000

Section 40 will require 3.0 FTE Senior Energy Policy Specialists to develop the new grant program and manage the renewable grants including travel and resulting goods and services.

Salaries and Benefits

FY12 -15: $365,161each fiscal year

Goods and Services (G&S)

FY12: $154,156
-standard G&S: $138,988
-space and utilities: $7,668
-non-standard G&S: $7,000 for Attorney General services and $500 for meeting rooms

FY13 -15: $151,656 each fiscal year
-standard G&S: $138,988
-space and utilities: $7,668
-non-standard G&S: $5,000 for Attorney General services

Travel

FY12-15: $1,367 each fiscal year for ten in state trips per year

Capital Outlay

FY12: $9,900 for three standard office packages

Grants

FY12 - $11,821,916
FY13 - $25,786,566
FY14 - $27,730,566
FY15 - $28,405,566

Total for Section 40

FY12: $12,352,500
FY13: $26,304,750
FY14: $28,248,750
FY15: $28,923,750

## Part III: Expenditure Detail

**III. A - Expenditures by Object Or Purpose**

| | FY 2010 | FY 2011 | 2009-11 | 2011-13 | 2013-15 |
|---|---|---|---|---|---|
| FTE Staff Years | | | | 5.9 | 5.9 |
| A-Salaries and Wages | | | | 969,000 | 969,000 |
| B-Employee Benefits | | | | 248,202 | 248,202 |
| C-Personal Service Contracts | | | | | |
| E-Goods and Services | | | | 507,352 | 504,852 |
| G-Travel | | | | 5,468 | 5,468 |
| J-Capital Outlays | | | | 16,500 | |
| M-Inter Agency/Fund Transfers | | | | | |
| N-Grants, Benefits & Client Services | | | | 88,453,728 | 131,674,978 |
| P-Debt Service | | | | | |
| S-Interagency Reimbursements | | | | | |
| T-Intra-Agency Reimbursements | | | | | |
| 9- | | | | | |
| **Total:** | $0 | $0 | $0 | $90,200,250 | $133,402,500 |

**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 |
|---|---|---|---|---|---|---|
| EMS Band 2 | 96,900 | | | | 5.0 | 5.0 |
| Various Administrative Services | | | | | 0.9 | 0.9 |
| **Total FTE's** | 96,900 | | | | 5.9 | 5.9 |

-

**III. C - Expenditures By Program (optional)**

| Program | FY 2010 | FY 2011 | 2009-11 | 2011-13 | 2013-15 |
|---|---|---|---|---|---|
| Agency Administration (100) | | | | 426,020 | 426,020 |
| Energy Policy (500) | | | | 89,774,230 | 132,976,480 |
| **Total $** | | | | 90,200,250 | 133,402,500 |

## Part IV: Capital Budget Impact

The Department of Commerce's capital budget maintains the energy freedom account. Expenditures within the capital account are the following:

FY12: $16,470,000
FY13: $35,073,000
FY14: $37,665,000
FY15: $38,565,000

## 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.*

None

# Department of Revenue Fiscal Note

| Bill Number: 3161 HB | Title: Oil windfall profits | Agency: 140-Department of Revenue |
|---|---|---|

## Part I: Estimates

☐ **No Fiscal Impact**

**Estimated Cash Receipts to:**

| Account | FY 2010 | FY 2011 | 2009-11 | 2011-13 | 2013-15 |
|---|---|---|---|---|---|
| GF-State-State<br>00 - 00 - | | | | 389,700,000 | 428,500,000 |
| GF-State-State<br>01 - Taxes 05 - Bus and Occup Tax | | | | (102,300,000) | (160,300,000) |
| **Total $** | | | | 287,400,000 | 268,200,000 |

**Estimated Expenditures from:**

| | FY 2010 | FY 2011 | 2009-11 | 2011-13 | 2013-15 |
|---|---|---|---|---|---|
| FTE Staff Years | | 1.2 | 0.6 | 2.0 | 1.8 |
| **Account** | | | | | |
| GF-STATE-State 001-1 | | 133,800 | 133,800 | 373,500 | 240,800 |
| **Total $** | | 133,800 | 133,800 | 373,500 | 240,800 |

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*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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☐ 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: 02/01/2010 |
|---|---|---|---|
| Agency Preparation: | Skeets Johnson | Phone: 360-570-6075 | Date: 02/10/2010 |
| Agency Approval: | Don Gutmann | Phone: 360-570-6073 | Date: 02/10/2010 |
| OFM Review: | Ryan Black | Phone: 360-902-0417 | Date: 02/10/2010 |

## 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 fiscal note reflects language in HB 3161 but assumes effective dates are intended to be one year later.

The bill imposes a tax on the "taxable income" of petroleum businesses engaging in any business activity within this state (under new title 82A RCW), creates a reserve account from which the collected tax will be allocated for specified uses, and reduces a broad range of business and occupation tax rates by 2.5 percent.

A petroleum business is defined as any corporation engaged in exploration, production, refining, manufacturing, processing, transportation, and marketing of oil and gas or any commodity, product, or feedstock derived from oil or gas, including petrochemicals. An exemption from the tax is provided if neither the corporation nor any affiliated corporation engages in refining within this state during the taxable year or preceding five years.

Washington "taxable income" is based on federal taxable income attributable to Washington activities after making numerous additions, subtractions, apportionments, and allocations. For businesses with activities outside the state, the portion attributable to Washington is determined by the three-factor apportionment under the Uniform Division of Income for Tax Purposes Act and the Multistate Tax Compact. Taxpayers that are part of a unitary group of corporations must file a combined report that shows income and apportionment factors for the entire unitary group.

The rate of the tax is determined by average retail price of gasoline (published by the Federal Energy Information Administration or its successor agency) on the West Coast, excluding California, during the taxable year. The rate ranges from 10 percent at a price of $1.75, to 30 percent if the price was over $2.75. The tax rate is zero if the price was less than $1.75.

The business and occupation tax rates for extracting, extracting for hire, manufacturing, processing for hire, and wholesaling are reduced from 0.484percent to 0.4719 percent. The business and occupation tax rates for real estate brokers and service and other business activities are reduced from 1.5 percent to 1.4625 percent. The business and occupation tax rate for retailing is reduced from 0.471 percent to 0.4592 percent.

This bill also amends RCWs 82.03.130 and 82.03.140 to include Title 82A RCW under the jurisdiction of the Board of Tax Appeals.

Other sections of the bill do not directly impact the Department of Revenue (Department).

It is assumed that the new windfall profits tax would be effective January 1, 2011, and the business and occupation tax rate reductions would be effective January 1, 2012. (bill states one year earlier)

**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

Windfall profits tax

The windfall profits tax portion of the bill requires that a firm first meet the definition of a refiner in Washington before tax on its other operations would be required. Firms must be corporations, not limited liability companies, partnerships, or sole-proprietors to be subject to the tax. Corporate profits estimates are based on profit margins reported in the Internal Revenue Service Corporation Source Book with future year projections based on Forecast Council (Global Insight) (GI) estimates of gas prices, crude oil prices, and nominal levels of consumption of oil and gas at the national level. It is assumed that three taxpayers operating refineries in Washington would be subject to this tax. This tax is assumed to not be in lieu of the business and occupation tax on the same revenues. For purposes of these estimates apportionment ratios are not applied, but out-of-state sales are excluded from the taxable base. A small adjustment is made to reflect potential excess depreciation and depletion. Based on forecasted gas prices the tax rate would be 30 percent for all years of the forecast horizon except 2011 which is 28 percent.

It is assumed that the tax on petroleum revenues would be effective January 1, 2011, although tax would be paid within Fiscal Year 2012, this may be composed of some estimated taxes which are provided for in the bill. Actual collection timing would be based on the tax due dates of the federal income tax return for these particular firms.

Based on these assumptions, the windfall profits tax would be about $183 million in Fiscal Year 2012.

Business and occupation tax

The proposal provides a 2.5 percent tax rate reduction for most business and occupation tax activities effective January 1, 2012, which provides for a five-month cash impact in Fiscal Year 2012. The cost of a full year tax rate reduction would be $73.4 million in Fiscal Year 2013.

REVENUE ESTIMATES

Based on these assumptions, the revenue increase during Fiscal Year 2012 would be about $154.1 million after considering the partial year business and occupation tax rate reduction. Net revenue increases decline over time because the business and occupation tax base with rate reductions is growing faster than consumption of petroleum products with the new tax. Presumably, the reduced relative consumption of petroleum products is caused by conservation as a result of higher gasoline prices and more efficient automobiles.

TOTAL REVENUE IMPACT:

State Government (cash basis, $000):

| | |
|---|---|
| FY 2010 - | $ 0 |
| FY 2011 - | $ 0 |
| FY 2012 - | $ 154,100 |
| FY 2013 - | $ 133,300 |
| FY 2014 - | $ 134,000 |
| FY 2015 - | $ 134,200 |

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*

This expenditure estimate assumes that the effective dates found in HB 3161 are intended to be one year later than found in the legislation.

To implement this legislation, the Department will incur costs of $113,800 during Fiscal Year 2011. To administer the privilege tax on petroleum businesses the Department will integrate this new tax program into the existing excise tax system. New returns, forms, reports, and Efile systems will be created to receive estimated payments, annual returns, and other interactions with taxpayers reporting this tax. Other internal system change will be made for new deductions, error and out of balance reason codes, and issuance codes. These costs include, programming to setup, test and verify the computer systems. Two new administrative rules will be adopted in support of the new tax. Time and effort equates to 1.2 FTEs.

The Department will incur ongoing costs of $373,500 during the 2011-2013 Biennium and $240,800 during the 2013-2015 Biennium. In Fiscal Year 2012 the Department will continue programming and system testing for the privilege tax on petroleum businesses. The Department will begin review and reconciliation of estimate payments and returns with IRS tax return information. In preparation for changes in business and occupations (B&O) tax rates there will be additional programming to setup, test and verify the computer systems. Because not all B&O rates are changed uniformly, the legislation will create the need for three new B&O reporting line codes. This is a result of combined classifications no longer having the same tax rate, and will affect all paper tax returns. New screens, codes, and indicators will be created in support of the new classifications. The Department anticipates that there will be an increase in the number of error and out of balance returns because of the tax rate changes. This will require the processing of additional credits, tax assessments, amended returns and refunds. Both the privilege tax on petroleum businesses and the change in B&O tax rates are expected to increase the number of telephone calls that will need to be responded to.

There are ongoing costs for review and reconciliation of reporting for the privilege tax on petroleum businesses, and responding to error and out of balance returns as during the remainder of time in the fiscal note. Tax return instructions will be printed for distribution to monthly and quarterly reporting taxpayers in Fiscal Year 2013, and for annual reporting taxpayers in Fiscal Year 2014. Printing costs are $5,300 in Fiscal Year 2013 and $10,000 in Fiscal Year 2014. Fiscal Year 2013 costs also include $13,200 for consulting in support of form design and computer programming for the keying system. Time and effort equates to 1.9 FTEs in Fiscal Year 2012, 2.2 FTEs in Fiscal Years 2013 and 2014, and 1.3 FTEs in Fiscal Year 2015.

## Part III: Expenditure Detail

**III. A - Expenditures by Object Or Purpose**

| | FY 2010 | FY 2011 | 2009-11 | 2011-13 | 2013-15 |
|---|---|---|---|---|---|
| FTE Staff Years | | 1.2 | 0.6 | 2.0 | 1.8 |
| A-Salaries and Wages | | 84,400 | 84,400 | 211,000 | 153,900 |
| B-Employee Benefits | | 21,100 | 21,100 | 52,700 | 38,400 |
| E-Goods and Services | | 20,200 | 20,200 | 88,700 | 45,000 |
| J-Capital Outlays | | 8,100 | 8,100 | 21,100 | 3,500 |
| **Total $** | | $133,800 | $133,800 | $373,500 | $240,800 |

**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 2 | 42,583 | | | | 1.0 | 1.5 |
| EXCISE TAX EX 3 | 50,563 | | | | 0.3 | 0.3 |
| EXCISE TAX EX 4 | 55,839 | | | | 0.3 | |
| HEARINGS SCHEDULER | 32,688 | | 0.0 | 0.0 | | |
| IT SPEC 4 | 63,195 | | 0.3 | 0.2 | 0.2 | |
| IT SPEC 5 | 69,756 | | 0.8 | 0.4 | 0.3 | |
| TAX POLICY SP 2 | 61,628 | | 0.0 | 0.0 | | |
| TAX POLICY SP 3 | 69,756 | | 0.1 | 0.1 | | |
| WMS BAND 3 | 88,546 | | 0.0 | 0.0 | | |
| **Total FTE's** | 534,554 | | 1.2 | 0.6 | 2.0 | 1.8 |

## 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.*

Should this legislation become law, the Department will use the standard process to adopt two new rules under chapter 458-20 WAC. Persons affected by this rule-making would include those engaged in the petroleum business in state as defined in the legislation.

# Individual State Agency Fiscal Note

| Bill Number: 3161 HB | Title: Oil windfall profits | Agency: 142-Board of Tax Appeals |
|---|---|---|

## Part I: Estimates

[X] **No Fiscal Impact**

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates,*

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.

[X] Requires new rule making, complete Part V.

| | | | |
|---|---|---|---|
| Legislative Contact: | | Phone: | Date: 02/01/2010 |
| Agency Preparation: | Victoria Walker | Phone: (360) 753-5446 | Date: 02/03/2010 |
| Agency Approval: | Steve Saynisch | Phone: 360-753-5446 | Date: 02/03/2010 |
| OFM Review: | Ryan Black | Phone: 360-902-0417 | Date: 02/03/2010 |

## 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.*

The Washington State Legislature created the Board of Tax Appeals (Board) as an independent state agency in 1967 to provide taxpayers and taxing authorities with an accessible, fair and efficient appeals process. The Board hears appeals from decisions of the County Boards of Equalization and the State Department of Revenue (Department). Eleven major appeal types prescribed by law in RCW 82.03.130 currently make up the Board's jurisdiction.

This bill amends RCW 82.03.130 [adding Sec. 41 (1) (m)] and RCW 82.03.140 to include Title 82A RCW under the jurisdiction of the Board of Tax Appeals.

As presently written, the bill does not provide for an intermediate step, for example to the Department, in the appeals process. The Board provides this fiscal note on the assumption that appeals resulting from the tax imposed on the taxable income of petroleum businesses engaging in any business activity within this state, will come directly to the Board of Tax Appeals. The Board analyzed appeal statistics from other state boards. We also considered appeal estimates as provided by the Department. The Department's expectation is that this legislation could generate 3 to 5 new appeals per year from taxpayers in the oil refining business. Based on this information, the Board has determined that the increased workload would be absorbed at the current staffing level.

Effective Date(s):
Sections 41 and 42 of this act would take effect January 1, 2011. The first tax return filing with the Department would be April 15, 2011. Based on these effective dates, it is anticipated the first appeal to the Board of Tax Appeals could occur during the 4th quarter, fiscal year 2011.

**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.*

No Cash Receipts. The Board of Tax Appeals does not generate fees.

**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

## 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.*

As the Board's rules (Title 456 WAC) are directed toward appeals dealing with the state's present tax structure, they will need to be revised, amended, and otherwise changed to accommodate appeals relating to the tax on oil windfall profits.

# Individual State Agency Fiscal Note

| Bill Number: 3161 HB | Title: Oil windfall profits | Agency: 150-Dept of General Administration |
|---|---|---|

## Part I: Estimates

☐ **No Fiscal Impact**

**Estimated Cash Receipts to:**

**Non-zero but indeterminate cost. Please see discussion.**

**Estimated Expenditures from:**

**Non-zero but indeterminate cost. Please see discussion.**

**Estimated Capital Budget Impact:**

| | 2009-11 | | 2011-13 | | 2013-15 | |
|---|---|---|---|---|---|---|
| | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
| Acquisition | 0 | 0 | 0 | 0 | 0 | 0 |
| Construction | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 1,800,000 | 1,800,000 | 1,800,000 |
| **Total $** | **$0** | **$0** | **$0** | **$1,800,000** | **$1,800,000** | **$1,800,000** |

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*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: 02/01/2010 |
| Agency Preparation: | Becky Guyer | Phone: 360-902-0433 | Date: 02/04/2010 |
| Agency Approval: | Michael Kashmar | Phone: 360-902-7353 | Date: 02/04/2010 |
| OFM Review: | Mike Steenhout | Phone: 360-902-0554 | Date: 02/05/2010 |

Request # 3161-1

## 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 22 (3)(e) 1 4/5 percent of tax to be deposited into the energy efficiency construction account created in RCW 39.35C.100 to be administered by General Administration for a grant program for the construction of energy efficiency projects.

Section 37 (1) requires each state agency and school district to implement cost-effective improvements and maintain efficient operations.

Section 37 (2) General Administration shall assist state agencies and school districts in identifying, evaluating, financing, and implementing cost effective conservation projects at their facilities.

Section 37 (5) General Administration must recover any costs and expenses in providing assistance.

Section 38 (1) General Administration is directed to administer a grant program for state agencies and school districts. The purpose of the grant is to provide funds for constructing energy efficiency projects. State agencies and school districts may submit an application for funds to GA at any time. General Administration is required to rule on the application within 60 days of its receipt.

Section 38 (2) Individual agencies or school districts may not receive more than 5% of the money distributed in any one year.

### 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.*

GA anticipates that the privilege tax will create an increase in the price of petroleum products that will, in turn, increase Motor Pool rates. This is not quantifiable at this time so cash receipts are indeterminate.

### 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.*

Section 38 (1) Directs General Administration to administer a grant program for energy efficiency projects without available funding in the Energy Efficiency Construction Account (Fund 238). Fund 238 is characterized as a special revenue fund subject to appropriation. Therefore, the financial impacts pertaining to Section 38 (1) have been included in the Capital Budget Impacts of this fiscal note.

Section 37 (1) requires all state agencies and school districts to undertake an energy audit and implement cost-effective conservation measures. Any agency that completed an energy audit and conservation measures, or contracted for such work, after December 31, 1997 is exempted. However, there is no requirement in this bill that projects must be developed and constructed through the use of General Administration energy savings performance contracting program. The impact, therefore, to the GA Energy Program is indeterminate.

GA anticipates that the privilege tax will create an increase in the price of petroleum products that will increase operating costs. These costs are not quantifiable at this time so expenditure impacts are indeterminate.

## Part III: Expenditure Detail

## Part IV: Capital Budget Impact

*Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods*

| Construction Estimate | FY 2010 | FY 2011 | 2009-11 | 2011-13 | 2013-15 |
|---|---|---|---|---|---|
| Acquisition | | | | | |
| Construction | | | | | |
| Other | | | | 1,800,000 | 3,600,000 |
| **Total $** | | | | 1,800,000 | 3,600,000 |

Capital Expenditure Assumptions:

Section 38 (1) General Administration must administer a grant program for state agencies and school districts. General Administration energy program will be required to review applications for grant funds on an ongoing basis and rule within sixty days of the receipt of each one.

Section 22 (2) and 22 (3) (e) Requires distributions, beginning January 1, 2012, of one and four-fifths (1.8 percent) of the total tax proceeds to be deposited in the energy efficiency construction account. Based on a Department of Revenue fiscal note for HB 1510 (Session 2007) of similar effect, the tax proceeds might average $100 million per year. Of this amount, the energy efficiency construction account would receive approximately $1.8 million per year.

The estimated expenditures will support GA costs to administer grant applications as directed in Section 38 (1) as well as to reimburse state agencies and school districts who receive grant awards from GA.

As the maximum award GA can issue is 5% of the available funding per year (per Section 38 (2)), GA anticipates administering 20 awards per year, which will require .5 FTE of a Grant and Contract Specialist.

Revolving Fund costs (object E) are calculated at 7% of salaries and benefits as reflected in the GA Cost Allocation Rate Program (CARP).

Indirect costs (object T) are calculated at 29% of salaries and benefits as reflected in the GA CARP and consist of agency administrative costs (Director's Office, Human Resources, Finance, and Information Services) and Division/Cost Center administrative costs.

Calculation detail for FTE related cost is included in the attachment: "3161 HB Backup Calculations." The balance of the capital expenditures will be reimbursements to state agencies and school districts who recieve energy efficiency project grants from GA.

These capital budget costs are not included in the most recent version of the Governor's Ten-Year Capital Plan.

## 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.*

## 3161 HB Oil Windfall Profits Backup Calculations.xlsx

| Annual Costs per FTE by Job Class | Data | Grant & Contract Specialist | | |
|---|---|---|---|---|
| Annual Salary (Object A)[1] | | 45,828 | 0 | 0 |
| Benefits (Object B)[2] | 31% | 14,207 | 0 | 0 |
| Revolving Funds (Object E)[3] | 7% | 4,202 | 0 | 0 |
| Agency Indirects (Object T)[4] | 29% | 17,410 | 0 | 0 |
| **Annual Totals per FTE** | | 81,647 | 0 | 0 |

Notes:
1. Salaries are per Department of Personnel Salary Schedule for non-represented staff.
2. Benefits are calculated at 31% of Salaries.
3. Revolving Funds are calculated at 7% of Salaries and Benefits.
4. Agency Idirects are calculated at 29% of Salaries and Benefits

| Object of Expenditure | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
|---|---|---|---|---|---|
| A Salaries and Wages | 0 | 0 | 22,914 | 22,914 | 22,914 |
| B Employee Benefits | 0 | 0 | 7,103 | 7,103 | 7,103 |
| E Goods & Services | 0 | 0 | 2,101 | 2,101 | 2,101 |
| G Travel | 0 | 0 | 0 | 0 | 0 |
| T Inter-Agency Reimbursements | 0 | 0 | 8,705 | 8,705 | 8,705 |
| **Total Expenditures** | 0 | 0 | 40,824 | 40,824 | 40,824 |

| Full-Time Equivalents | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
|---|---|---|---|---|---|
| Grant & Contract Specialist | 0.0 | 0.0 | 0.5 | 0.5 | 0.5 |
| 0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total Expenditures** | 0.0 | 0.0 | 0.5 | 0.5 | 0.5 |

### EXPENDITURE SUMMARY BY OBJECT AND FULL TIME EQUIVALENT SUMMARY BY JOB CLASS

| Object of Expenditure | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
|---|---|---|---|---|---|
| A Salaries and Wages | 0 | 0 | 22,914 | 22,914 | 22,914 |
| B Employee Benefits | 0 | 0 | 7,103 | 7,103 | 7,103 |
| E Goods & Services | 0 | 0 | 2,101 | 2,101 | 2,101 |
| G Travel | 0 | 0 | 0 | 0 | 0 |
| T Inter-Agency Reimbursements | 0 | 0 | 8,705 | 8,705 | 8,705 |
| **Total Expenditures** | 0 | 0 | 40,824 | 40,824 | 40,824 |

| Full-Time Equivalents | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
|---|---|---|---|---|---|
| Grant & Contract Specialist | 0.00 | 0.00 | 0.50 | 0.50 | 0.50 |
| 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Total Expenditures** | 0.00 | 0.00 | 0.50 | 0.50 | 0.50 |

# Individual State Agency Fiscal Note

| Bill Number: 3161 HB | Title: Oil windfall profits | Agency: 310-Department of Corrections |
|---|---|---|

## Part I: Estimates

☐ **No Fiscal Impact**

**Estimated Cash Receipts to:**

| ACCOUNT | | | | | |
|---|---|---|---|---|---|
| | | | | | |
| **Total $** | | | | | |

**Estimated Expenditures from:**

**Non-zero but indeterminate cost. Please see discussion.**

**Estimated Capital Budget Impact:**

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | | | |
| | | | | | | |
| **Total $** | | | | | | |

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates,*

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: 02/01/2010 |
| Agency Preparation: | Eric Johnson | Phone: 360-725-8268 | Date: 02/02/2010 |
| Agency Approval: | Susan Lucas | Phone: (360) 725-8277 | Date: 02/02/2010 |
| OFM Review: | Adam Aaseby | Phone: 360-902-0539 | Date: 02/03/2010 |

Request # 075-1

## 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.*

The purpose of this bill is to impose a new tax on the income of each petroleum business based in Washington State for the privilege of engaging in any business activity within the state. The bill would require the department of general administration to develop a grant program for state agencies and school districts to provide funds for the construction of energy conservation projects. It would also require the department of commerce, in consultation with the joint committee on energy supply and energy conservation, to administer a business renewable energy grant program to allocate funds to Washington businesses that invest in renewable energy sources.

Section 21 of the bill creates a class C felony for any person who knowingly attempts to evade the tax imposed under this Act. It creates a new class C felony for any person required to collect tax imposed under this title who knowingly fails to collect, truthfully account for or pay over the tax. It would create a new gross misdemeanor for any person who knowingly fails to pay tax, pay estimated tax, make returns, keep records, or supply information, as required under this Act.

**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 Sentencing Guidelines Commission (SGC) has no information with which to predict how the changes proposed by the bill will affect the number of sentences per fiscal year for the new offense and therefore, cannot reliably estimate bed impacts. The offense is a Class C felony, not ranked on the adult felony sentencing grid, and is punishable by a term of confinement of 0 to 12 months in jail. Therefore, any impact will be on jail beds, unless an exceptional sentence is ordered which results in a prison sentence.

## 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.*

# Individual State Agency Fiscal Note

| Bill Number: 3161 HB | Title: Oil windfall profits | Agency: 325-Sentencing Guidelines Commission |
|---|---|---|

## Part I: Estimates

☐ **No Fiscal Impact**

**Estimated Cash Receipts to:**

| ACCOUNT | | | | | |
|---|---|---|---|---|---|
| | | | | | |
| **Total $** | | | | | |

**Estimated Expenditures from:**

| | FY 2010 | FY 2011 | 2009-11 | 2011-13 | 2013-15 |
|---|---|---|---|---|---|
| **Account** | | | | | |
| | | | | | |
| **Total $** | | | | | |

**Estimated Capital Budget Impact:**

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | | | |
| | | | | | | |
| **Total $** | | | | | | |

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*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: 02/01/2010 |
| Agency Preparation: | Keri-Anne Jetzer | Phone: 360-407-1070 | Date: 02/02/2010 |
| Agency Approval: | Duc Luu | Phone: 360-407-1075 | Date: 02/02/2010 |
| OFM Review: | Carole Holland | Phone: 360-902-0580 | Date: 02/02/2010 |

Request # 325-10-039-1

## 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 would require modification of the Commission's database and data entry programs. The agency's budget does not have funding for updating the database or data entry programs. We estimate it would take approximately 20 hours to update the database or data entry programs to reflect the change in this bill. Using a fee estimate of $110/hr, the cost would be $2,200.

### 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 2010 | FY 2011 | 2009-11 | 2011-13 | 2013-15 |
|---|---|---|---|---|---|
| FTE Staff Years | | | | | |
| | | | | | |
| Total: | | | | | |

## 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.*

# HB 3161
# OIL WINDFALL PROFITS
## 325 – Sentencing Guidelines Commission
## February 2, 2010

**SUMMARY**

**A brief description of what the measure does that has fiscal impact.**

| | |
|---|---|
| Section 1 | Creates legislative findings and intent regarding the projected budget shortfall. |
| Section 2 | Creates a definition section, which is to be comparable to the internal revenue code. |
| Section 3 | Creates a petroleum privilege tax for petroleum businesses within the state. |
| Section 4 | Creates exemptions for some limited corporations. |
| Section 5 | Provides calculations and formulas for adjusting taxable income if it is duplicative with federal law. |
| Section 6 | Provides formulas for tax returns in a fractional year. |
| Section 7 | Provides guidelines for estimation agreements. |
| Section 8 | Requires apportionment and allocation of all income except that which is apportioned and allocated to another state under RCW 82.56.010. |
| Section 9 | Provides guidelines for combined reporting. |
| Section 10 | Provides guidelines for the determination of taxable income or loss using combined reporting. |
| Section 11 | Allows for the designation of surety. |
| Section 12 | Allows for a Water's-Edge Election and provides guidelines for initiation and withdrawal into such groups governed by the section. |
| Section 13 | Establishes the duty to pay the estimated tax, the due date of the estimated taxes, the amount and an underpayment penalty. |
| Section 14 | Requires the same method of accounting within this Act as that for federal income tax purposes. |
| Section 15 | Provides guidelines for corporations which are required to file returns, allows the department to make rules which may require that certain taxpayers file information returns. If an adjustment is made to a federal return (by the taxpayer or internal revenue service,) the Act requires the taxpayer to file a corrected return with the state within prescribed guidelines. |
| Section 16 | Provides guidelines regarding the due date for filing a return, extensions and outlines interest and penalties imposed. |
| Section 17 | Requires taxpayers who must deduct and withhold tax under the Act to maintain certain records. Gives the department the authority to require other statements and reports from |

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Washington State Sentencing Guidelines Commission KeriJ@sgc.wa.gov

the taxpayer and makes all records described within the section subject to inspection by the department at all time during business hours.

| | |
|---|---|
| Section 18 | Adopts the internal revenue code relating to Liability of Transferees; and Time and Manner of making returns, extensions of time for filing returns, verification of returns, and the time when a return is deemed filed. The section also gives the department authority to make rules that may modify or make exceptions to the provisions. |
| Section 19 | Incorporates chapter 82.32 RCW to the taxes imposed in this Act. |
| Section 20 | Gives the department the authority to adopt rules for the administration and enforcement of the Act. |
| Section 21 | Creates a class C felony for any person who knowingly attempts to evade the tax imposed under this Act. Creates a class C felony for any person required to collect tax imposed under this title who knowingly fails to collect, truthfully account for or pay over the tax. Creates a gross misdemeanor for any person who knowingly fails to pay tax, pay estimated tax, make returns, keep records, or supply information, as required under this Act. |
| Section 22 | Creates an energy and transportation reserve account in the state treasury in which all the receipts from the tax imposed must be deposited. Provides an accounting of the distribution of the receipts tax money within the section and requires the money to go to specific funds and departments within the state. |
| Section 23 | Amends RCW 43.325.020 to increase the amount that the director of the department may approve for a project application from five million to fifteen million dollars (within other restrictions.) |
| Section 24 | Amends RCW 43.325.040 to incorporate the distributions to the account outlined in section 22 of the Act. |
| Section 25 | Amends RCW 70.94.017 to further allocate one-half of the money deposited in the segregated subaccount of the air pollution control under section 22 of the Act to be distributed between the air pollution control authorities and the department. The authority must use the money to retrofit school buses with exhaust emission control devices or provide funding to allow school bus fleets to use alternative, cleaner fuels. Further, the director of ecology or an air pollution control officer may direct funding under this section for other publicly owned diesel equipment if they find that funding of other publicly owned diesel equipment will provide public health benefits and further the purposes of this chapter. |
| Section 26 | Amends RCW 82.04.230 to reduce the multiplying factor (tax) in the section from 0.484 to 0.4719 percent for those who engage in business in the state as an extractor. |
| Section 27 | Amends RCW 82.04.240 and 2004 c 24 s 4 to reduce the multiplying factor (tax) from 0.484 to 0.4719 percent for those who engage in business in the state as a manufacturer. |
| Section 28 | Amends RCW 82.04.240 and 2003 c 149 s 3 to reduce the multiplying factor (tax) from 0.484 to 0.4719 percent for those who engage in business in the state as a manufacturer. |
| Section 29 | Amends RCW 82.04.250 and 2008 c 81 s 5 to reduce the multiplying factor (tax) from 0.471 to 0.4592 percent for those who engage in business in the state as a retailer. |

| | |
|---|---|
| Section 30 | Amends RCW 82.04.250 and 2007 c 54 s 5 to reduce the multiplying factor (tax from 0.471 to 0.4592 percent for those who engage in business in the state as a retailer. |
| Section 31 | Amends RCW 82.04.255 to reduce the multiplying factor (tax) from 1.5 to 1.4625 percent for those who engage in business in the state as a real estate broker. |
| Section 32 | Amends RCW 82.04.270 to reduce the multiplying factor (tax) from 0.484 to 0.4719 percent for those who engage in business in the state as wholesalers. |
| Section 33 | Amends RCW 82.04.280 and 2009 c 461 s 2 by removing those who engage in the business of extracting for hire or processing for hire, except those extractors that are taxable under another section. (This term has been added back in section 36 with its respective tax rate.) |
| Section 34 | Amends RCW 82.04.280 and 2009 c 461 s 3 by removing those who engage in the business of extracting for hire or processing for hire, except those extractors that are taxable under another section. (This term has been added back in section 36 with its respective tax rate.) |
| Section 35 | Amends RCW 82.04.290 by reducing the multiplying factor (tax) from 1.5 to 1.4635 percent for those persons engaging in any business that is not taxed explicitly in another section. |
| Section 36 | Creates a new section which addresses every person engaging in the business of extracting for hire or processing for hire, except extractors under another section of the chapter, and applies a rate of 0.4719 percent of gross income. |
| Section 37 | Amends RCW 39.35C.020 by making some technical changes (changing the word "shall" to "must" several times) and by adding the requirement that the department assist state agencies and school districts with financing of cost-effective conservation projects in addition to identification, evaluation, and implementation of those projects. |
| Section 38 | Creates a new section within chapter 39.35 RCW which requires the department to administer a grant program for state agencies and school districts to provide fund for energy conservation projects, subject to available funding. The section provides guidelines for submission of project application and requires that the state agency or school district not receive more than five percent of the money distributed on an annual basis to the energy efficiency construction account for the project. |
| Section 39 | Amends RCW 39.35C.100 by requiring that moneys from distributions under section 22 of the Act be used only for the energy efficiency projects that constitute energy conservation projects. |
| Section 40 | Creates a new section within chapter 43.21F RCW. Requires the department, in consultation with the joint committee on energy supply and energy conservation, to administer a business renewable energy grant program with the purpose of allocating funds to businesses that invest in renewable energy resources. Provides guidelines for the grant process. Upon approval of the grant, subject to available funding, the department shall distribute an amount not to exceed five percent of the qualifying applicant's taxes due and payable for the prior calendar year under chapter 82.04 RCW. Provides a definition for "renewable energy source" for the section. |

| | |
|---|---|
| Section 41 | Amends RCW 82.03.130 to make some technical language changes and a change in statutory reference in (1)(f) (from RCW 79.94.210 to 79.125.450.) Adds an additional appeal category for those appeals relating to tax deficiencies and refunds, including penalties and interest under Title 82A. RCW. |
| Section 42 | Amends RCW 82.03.140, modifies the chapter by enumerating the section and changing technical language. Further, it broadens the director's ability to request a formal hearing upon receipt of notice of appeal for all types of appeals in RCW 82.03.130(1) not just those enumerated in RCW 82.03.130(1)(e). |
| Section 43 | Amends 2009 c 461 s 9 (uncodified) to include certain sections within this Act. |
| Section 44 | Requests that codification of sections 1-22 of this Act constitute a new title named Title 82A RCW. |
| Section 45 | Includes a severability clause which requires that if any provision of the Act or its application to any person is held invalid, that the remainder of the Act remain unaffected. |
| Section 46 | Provides an effective date, unless otherwise expressed, as January 1, 2010. |
| Section 47 | Makes sections 23 and 24 expire on June 30, 2016. |
| Section 48 | Makes sections 26, 27, 29, 31 through 33, 35, and 36 of the Act effective January 1, 2011. |
| Section 49 | Makes section 27 of the Act expire when section 28 takes effect. |
| Section 50 | Makes sections 28 and 34 of the Act take effect on the later of January 1, 2011, or the date the contingency in section 43 of the Act occurs. |
| Section 51 | Makes section 29 expire on July 1, 2011. |
| Section 52 | Makes section 30 effective on July 1, 2011. |
| Section 53 | Makes section 33 of the Act expire on the date that section 34 takes effect. |

## EXPENDITURES

### Assumptions
None

### Impact on the Sentencing Guidelines Commission
This bill would require modification of the Commission's database and data entry programs. The agency's budget does not have funding for updating the database or data entry programs. We estimate it would take approximately 20 hours to update the database or data entry programs to reflect the change in this bill. Using a fee estimate of $110/hr, the cost would be $2,200.

### Impact on prison and jail beds
This bill creates two new unranked class C felony offenses for which the Sentencing Guidelines Commission is unable to provide bed impacts due to lack of history. Unranked class C felonies have a sentencing range of 0 to 12 months and a statutory maximum of 60 months; any impact would affect jail beds only.

# Individual State Agency Fiscal Note

| Bill Number: 3161 HB | Title: Oil windfall profits | Agency: 461-Department of Ecology |
|---|---|---|

## Part I: Estimates

☐ **No Fiscal Impact**

**Estimated Cash Receipts to:**

| ACCOUNT | | | | | |
|---|---|---|---|---|---|
| | | | | | |
| **Total $** | | | | | |

**Estimated Expenditures from:**

| | FY 2010 | FY 2011 | 2009-11 | 2011-13 | 2013-15 |
|---|---|---|---|---|---|
| FTE Staff Years | 0.0 | 0.0 | 0.0 | 2.3 | 2.3 |
| **Account** | | | | | |
| Air Pollution Control Account-State 216-1 | 0 | 0 | 0 | 5,173,200 | 4,827,600 |
| **Total $** | 0 | 0 | 0 | 5,173,200 | 4,827,600 |

**Estimated Capital Budget Impact:**

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | | | |
| | | | | | | |
| **Total $** | | | | | | |

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates,*

Check applicable boxes and follow corresponding instructions:

- [X] 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: 02/01/2010 |
| Agency Preparation: | Paige Boule | Phone: 360-407-6646 | Date: 02/05/2010 |
| Agency Approval: | Patricia McLain | Phone: 360-407-7005 | Date: 02/05/2010 |
| OFM Review: | Alicia Dunkin | Phone: 360-902-0582 | Date: 02/05/2010 |

## 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 would provide funding for a broad spectrum of statewide and community benefits from the proceeds of a windfall profits tax on petroleum companies. The proceeds of that tax would be directed to an Energy and Transportation Reserve Account.
Sec 22(3): Each year, a distribution of 1.8% of tax collections deposited to the Energy and Transportation Reserve Account would be transferred to the Air Pollution Control Account (APCA) for diesel emission reduction activities. A preliminary estimate from the Department of Revenue projects the following Energy and Transportation Reserve Account funds available, and the corresponding 1.8% transfers to the Air Pollution Control Account:
$154.1M for FY12, resulting in $2,773,800 transferred to the Air Pollution Control Account
$133.3M for FY13, resulting in $2,399,400 transferred to the Air Pollution Control Account
$134M for FY14, resulting in $2,412,000 transferred to the Air Pollution Control Account
$134.2M for FY 15, resulting in $2,415,600 transferred to the Air Pollution Control Account
Sec 25: Funds would be distributed 50/50 between Ecology and local air agencies. The bill would direct these funds to be used for school bus and local government retrofits to reduce diesel emissions or for the infrastructure necessary to allow such vehicles to run on alternative fuels. The bill would also allow the directors of the department of Ecology or the local air agencies to direct this funding toward retrofitting other publicly owned diesel equipment. The retrofit/infrastructure enhancement program would be authorized through 2020.

Sec 37 would require all agencies to complete energy audits pursuant to existing state law. Ecology has completed all appropriate audits so there would be no additional cost for this element of 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.*

Ecology would not collect revenue under this bill.

Ecology assumes that language in Sec 22 would direct the Treasurer to transfer appropriate funds to the Air Pollution Control Account. Ecology further assumes that the Treasurer's Office fiscal note would reflect the transfers to the Air Pollution Control Account.

**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.*

Sec 22(3): The following expenditures are based on the preliminary estimate from the Department of Revenue of funds available to the Air Pollution Control Account:

FY 12: $2,773,800

FY 13: $2,399,400
FY 14: $2,412,000
FY 15: $2,415,600

Sec 25: One half of the amount deposited in the air pollution control account each year would be passed through to the seven local air authorities and retained by the department of Ecology in the 17 counties where the department of Ecology acts as the local air authority. For the purposes of this fiscal note, we are assuming that the grant amounts for each local air agency, and the department of Ecology where we have jurisdiction, would be based on population. Most of our pass- through grants already use this distribution method. Using a population-based distribution method, the department of Ecology would retain approximately 8.7% of one-half of the total transferred to the air pollution control account each fiscal year for use in our eastern Washington regional offices (located in Spokane and Yakima).

Ecology has had an active diesel emission reduction program for several years - first using funds transferred from the Motor Vehicle Account (FYs 04-08), and, most recently, using Local Toxics Control Account funds, federal funds, and State Building Construction Account funds. Through this program, most eligible school bus and public fleet engines have already been retrofitted. With funds provided by this bill, Ecology and local air agencies could continue to install anti-idling technology on school buses and public fleet engines, convert engines to alternative fuels, and help defray the costs of replacement school buses for those buses that are too old to be successfully retrofitted.

Ecology has been administering pass-through grants to the local air authorities for many years. Based on that experience and our experience with retrofit programs, we anticipate that we would need one full-time program coordinator (Environmental Specialist 5) and one full- time contracts and grants specialist (Contracts Specialist 3) to administer a program of this size.

The work of the Environmental Specialist 5 would include: developing and overseeing the diesel emission reduction program; developing preventive or corrective measures to ensure effective and efficient implementation of the program; maintaining effective partner relationships with local air authorities, school districts, the superintendent of public instruction, the department of General Administration, and contractors in order to identify and assess service delivery needs; develop plans to meet those needs; coordinate implementation procedures among the partners; and resolve conflicts or problems that arise. This position would also work with the contracts specialist throughout the procurement process and approve all payments to grantees and contractors. (1.0 FTE - Environmental Specialist 5)

The work of the contracts specialist would include: directing competitive procurement processes; assuring that the program adheres to state requirements and agency policies; providing technical support to program staff regarding procurement process; working closely with staff in writing procurement documents and conducting evaluations; writing contracts for use with successful bidders; and working with private entities to explain the procurement process. This position would also: develop and administer grants, contracts, and work orders; work with local air authorities in overseeing the grant to ensure compliance and fulfillment of grant and contract timelines and deliverables; ensure compliance with applicable policies and procedures, both internally and externally; monitor expenditures and seek approval for all payments; keep project manager and other principle players apprised of balance and end dates of grant and contract agreements; and work with the program retrofit team in planning for and tracking expenditures and fund balances. (1.0 FTE - Contracts Specialist 3)

Sec 37, Energy Audits: Ecology has completed all energy audits pursuant to existing state law so there would be no additional costs for this element of the bill.

Expenditure Detail:
Salaries reflect costs of each individual position at its appropriate range and Step L.
Benefits are calculated at 28.3% of direct salaries.
Goods and Services costs are based on the agency standard cost of $4,377 per FTE per year, plus purchased contracts for installation of anti-idling technology and convert engines to alternative fuels.
Travel costs are based on the agency standard cost of $1,110 per FTE per year.
Agency Administrative Overhead is calculated at the federal indirect rate of 36.8% of program salaries and benefits, and is identified in Expenditures by Object as 9-Agency Administrative Overhead. Administration program FTEs are included at 0.15 FTE per direct program FTE and are identified in the Part III-B FTE Detail table as Fiscal Analyst 2.

## Part III: Expenditure Detail

**III. A - Expenditures by Object Or Purpose**

| | FY 2010 | FY 2011 | 2009-11 | 2011-13 | 2013-15 |
|---|---|---|---|---|---|
| FTE Staff Years | | | | 2.3 | 2.3 |
| A-Salaries and Wages | | | | 262,320 | 262,320 |
| B-Employee Benefits | | | | 74,236 | 74,236 |
| C-Personal Service Contracts | | | | | |
| E-Goods and Services | | | | 2,346,786 | 2,158,953 |
| G-Travel | | | | 4,440 | 4,440 |
| J-Capital Outlays | | | | | |
| M-Inter Agency/Fund Transfers | | | | | |
| N-Grants, Benefits & Client Services | | | | 2,361,566 | 2,203,799 |
| P-Debt Service | | | | | |
| S-Interagency Reimbursements | | | | | |
| T-Intra-Agency Reimbursements | | | | | |
| 9-Agency Administrative Overhead | | | | 123,852 | 123,852 |
| **Total:** | $0 | $0 | $0 | $5,173,200 | $4,827,600 |

**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 |
|---|---|---|---|---|---|---|
| Contract Specialist 3 | 64,740 | | | | 1.0 | 1.0 |
| Environmental Specialist 5 | 66,420 | | | | 1.0 | 1.0 |
| Fiscal Analyst 2 | | | | | 0.3 | 0.3 |
| **Total FTE's** | 131,160 | | | | 2.3 | 2.3 |

## 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.*

Ecology assumes that the bill's guidance is sufficiently specific that new rules would not be required.

# LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

| | |
|---|---|
| **Bill Number:** 3161 HB | **Title:** Oil windfall profits |

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

**Legislation Impacts:**

- [X] Cities: Jurisdictions with diesel fleet vehicles or with economic development programs related to alternative energy production; criminal justice system
- [X] Counties: Same as above
- [X] Special Districts: Sound Transit and other special districts with diesel fleet vehicles
- [X] Specific jurisdictions only: Sound Transit would receive 45 percent of petroleum corporate tax revenue.
- [ ] Variance occurs due to:

## Part II: Estimates

- [ ] No fiscal impacts.
- [X] Expenditures represent one-time costs: Potential, indeterminate I-960 elections costs
- [X] Legislation provides local option: Local Governments may apply for Energy Freedom loans or grants to retrofit diesel vehicles
- [X] Key variables cannot be estimated with certainty at this time: Number of local governments and costs to apply for funds

**Estimated revenue impacts to:**

| **Indeterminate Impact** |
|---|

**Estimated expenditure impacts to:**

| **Indeterminate Impact** |
|---|

## Part III: Preparation and Approval

| | | |
|---|---|---|
| Fiscal Note Analyst: Darleen Muhly | Phone: (360) 725-5030 | Date: 02/08/2010 |
| Leg. Committee Contact: | Phone: | Date: 02/01/2010 |
| Agency Approval: Steve Salmi | Phone: (360) 725 5034 | Date: 02/08/2010 |
| OFM Review: Ryan Black | Phone: 360-902-0417 | Date: 02/08/2010 |

## 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 bill would create a petroleum corporate privilege tax (income tax) and distribute the proceeds of the tax to fund a variety of energy-related programs including funding of Sound Transit's commuter rail or fixed-rail system, potentially retrofitting additional local government diesel fleet vehicles to reduce air pollution, increasing the size of energy freedom loans, and creating a business renewable energy grant program. Criminal penalties would also be created for failure to pay taxes.

SECTIONS THAT MAY IMPACT LOCAL GOVERNMENTS
Section 1 - 20 Describes the legislative intent, definitions, authorizes a petroleum corporate privilege tax and sets rates and tax administration requirements.

Section 21 creates three new crimes:
1) Tax Evasion (a C-class felony)
2) Failure to Collect Tax (a C-class felony)
3) Failure to Pay Tax (a gross misdemeanor)

Section 22 creates a reserve account to receive tax receipts and provides for distribution every six months capped at $250 million plus any surplus over $500 million. Funds are distributed (state and school district distributions are omitted) as follows:
-- 18 percent to the energy freedom account RCW 15.110.050 (until 2018)
-- 1.8 percent to the air pollution control sub account of RCW 70.94.017 for retrofit of school bus and local government fleets to reduce emissions (until 2022)
-- 45 percent to the regional transit authority (Sound Transit). The authority must use the money for a commuter rail system or rail fixed guideway system that provides service to all counties that comprise the regional transit authority
-- 13.5 percent to Community,Trade and Economic Development (CTED) (now Commerce) for a business renewable energy grant program. The purpose of this grant program is to allocate funds to Washington businesses that invest in renewable energy sources.

Sections 23 amends the energy freedom loan program to increase the maximum size of awards from $5 million to $15 million but not to exceed 50 percent of total project cost.

Section 25 amends the retrofit program for school buses and local government fleets to allow funds distributed from the new tax to be used to reduce fleet emissions.

Sections 26 - 36 reduces the state business and occupations tax.

Section 40 Requires CTED (now Commerce), in consultation with the Joint Committee on Energy Supply and Energy Conservation, to administer a business renewable energy grant program. The grant program would provide a financial incentive for businesses to invest in renewable sources.

### 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 bill would have a moderate (greater than $50,000) although indeterminate impact on local government expenditures. The impact is indeterminate because the cost of applying for funds and the number of local governments that might apply under the programs funded through this measure are unknown. These impacts are in addition to any one-time elections costs related to Initiative 960 requirements.

SOUND TRANSIT IMPACTS
Sound Transit is constructing a commuter rail system in Pierce, Snohomish and King counties. Funds from this measure would be used in combination with a number of other state, federal and local sources to complete the project(s) currently underway and expected to be constructed over the next decade. Sound Transit already has the administrative systems in place to administer and account for funds generated through this measure.

CRIMINAL JUSTICE IMPACTS
Section 21 creates three new crimes: 1) Tax Evasion (a felony C), 2) Failure to Collect Tax (a felony C) and 3) Failure to Pay Tax (a gross misdemeanor). In Washington State, businesses are currently taxed through various business and occupation taxes, per Title 82 RCW. Similar offenses may be committed for evasion, failure to collect and failure to pay several of the taxes identified in this part of the statute. In

2006, 42 charges were filed under RCW 82.32.290 (2). The Department of Revenue (DOR) estimates that the tax would apply to three refineries. Due to the small number of petroleum-related corporations subject to the tax, it is likely that criminal justice impacts (prosecution, defense and jail) would be minimal. See Office of the Administrator of the Courts fiscal note for court impacts.

FLEET OPERATIONS IMPACTS
Section 22 provides a funding source for public fleet retrofit projects. Transit districts, public utility districts, solid-waste utilities, municipal electric, water and sewer utilities and other local governments with diesel vehicle fleets would qualify to apply for funding to retrofit fleets to reduce emissions and use alternative fuels. Use of alternative fuels under certain conditions can reduce operating costs. Local governments would have expenses for funding applications and management of retrofit projects that may be partly offset by any reduction in operating costs.

ECONOMIC DEVELOPMENT IMPACTS
A number of local governments across the state participate in local or regional economic development efforts. These local governments support economic development planning and project execution through their own funding, cooperative efforts with other public and private parties and through specific federal and state programs. Several regions of the state have identified supporting alternative or renewable energy projects as as important economic development opportunities. Additional funding for loans and grants would facilitate the implementation of these strategies. Local governments will likely have additional costs for supporting infrastructure and/or public services.

INITIATIVE 960 ELECTIONS COSTS

This bill has been identified by the Office of Financial Management as subject to RCW 43.135 (Initiative 960). That chapter contains provisions requiring an election for any new state tax or fee. In an even year, such as 2010, election costs are borne by each county. Estimated costs for an additional ballot measure are indeterminate but could range from less than $50,000 to over $1.33 million.

The major county voting systems in Washington each have differently-sized ballots. An average cost of $0.38 per voter for each additional ballot page with postage was developed by sampling the different systems in King, Thurston, and Snohomish counties. There are approximately 3.5 million voters statewide.

The incremental county expenditure increase resulting from one additional ballot measure is minimal except when it causes a county to print an additional ballot page. This occurs at a different point in each county depending on how full the ballot is with local items and the length and width of the physical ballot. Therefore, the actual cost of an additional measure cannot be determined.

## 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.*

SUMMARY
This bill would have a significant (greater than $1 million) impact on local government revenue or revenue authority. DOR estimates petroleum corporate tax receipts from the bill to be $183 million in FY 2012, growing to $216.7 million in FY 2015. This would result in revenue distributed to Sound Transit of $82.4 million (FY 2012) to $97.5 million (FY 2015). The Energy Freedom Loan program, which funds loans to, among others, local governments, for the construction of alternative fuel facilties, would receive 18 percent of the tax revenue or $32.9 million (FY 2012) to $29 million (FY2015). An unknown amount of grant revenue may also be available to retrofit diesel vehicles owned by local government. Indirect local tax base increases may also result from grant or loan programs stimulating the growth of alternative energy production by private businesses in the state.

DISCUSSION
This measure establishes a petroleum corporate privilege tax (income tax) and distributes the collected revenue to a number of different programs. Under Section 22, Sound Transit would receive 45 percent of the revenue; the public diesel fleet retrofit program would receive 1.8 percent and two programs that fund grants or loans for alternative or renewable energy investments would receive 31.5 percent of the revenue. The Energy Freedom Loan program may fund loans directly to local government. See the attached table for the estimated distributions by program.

It is unknown what portions of the funds distributed to the fleet retrofit program or the Energy Freedom Loan program would go directly to local governments. It is likely that the combined investments in energy projects through grants and loans would indirectly increase tax bases for local governments to some degree. These impacts are difficult to quantify.

SOURCES:
2007 Local Government fiscal note for HB 1510
Department of Revenue fiscal note and petroleum corporate tax revenue estimates

Office of the Administrator of the Courts fiscal note
Next Washington: Growing Jobs and Income in a Global Economy
Sound Transit

## House Bill 3161
## Petroleum Corporate Tax Revenue Distributions[1]

| Fiscal Year | Projected Total Petroleum Corporate Tax Revenue | Sound Transit (45%) | Fleet Retrofit (1.8%) | Energy Freedom Loans (18%) | Business Renewable Energy Grants (13.5%) |
|---|---|---|---|---|---|
| FY 2012 | $183,000,000 | $82,350,000 | $3,294,000 | 32,940,000 | 24,705,000 |
| FY 2013 | 206,700,000 | 93,015,000 | 3,720,600 | 37,206,000 | 27,904,500 |
| FY 2014 | 211,800,000 | 95,310,000 | 3,812,400 | 38,124,000 | 28,593,000 |
| FY 2015 | 216,700,000 | 97,515,000 | 3,900,600 | 39,006,000 | 29,254,500 |

[1] The projected total petroleum corporate tax revenue was estimated by the Department of Revenue. The individual distributions listed do not equal the projected total due to other distributions (not addressed in the local government fiscal note) under the bill.

# Multiple Agency Ten-Year Analysis Summary

| Bill Number | Title |
|---|---|
| 3161 HB | Oil windfall profits |

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

## Estimated Cash Receipts (Dollars in Thousands)

| Agency Name | Fiscal Year 2010 | Fiscal Year 2011 | Fiscal Year 2012 | Fiscal Year 2013 | Fiscal Year 2014 | Fiscal Year 2015 | Fiscal Year 2016 | Fiscal Year 2017 | Fiscal Year 2018 | Fiscal Year 2019 | 2010-19 TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Admin Office of the Courts | 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 |
| Department of Commerce | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Department of Revenue | 0 | 0 | 154,100,000 | 133,300,000 | 134,000,000 | 134,200,000 | 135,300,000 | 135,200,000 | 132,100,000 | 129,000,000 | 1,087,200,000 |
| Board of Tax Appeals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dept of General Administration | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Department of Corrections | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sentencing Guidelines Commission | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Department of Ecology | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Department of Commerce | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **0** | **0** | **154,100,000** | **133,300,000** | **134,000,000** | **134,200,000** | **135,300,000** | **135,200,000** | **132,100,000** | **129,000,000** | **1,087,200,000** |

# Ten-Year Analysis

| Bill Number | Title | Agency |
|---|---|---|
| 3161 HB | Oil windfall profits | 055 Admin Office of the Courts |

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**

[ ] **Indeterminate Cash Receipts**

| Name of Tax or Fee | Acct Code | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| Agency Preparation: | Gil Austin | Phone: | 360-705-5271 | Date: | 2/5/2010 7:31:40 am |
| Agency Approval: | Julia Appel | Phone: | (360) 705-5229 | Date: | 2/5/2010 7:31:40 am |
| OFM Review: | Ryan Black | Phone: | 360-902-0417 | Date: | 2/9/2010 11:33:44 am |

# Ten-Year Analysis

| Bill Number | Title | Agency |
|---|---|---|
| 3161 HB | Oil windfall profits | 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**

☐ **Indeterminate Cash Receipts**

| Name of Tax or Fee | Acct Code | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| Agency Preparation: | Dan Mason | Phone: | 360-902-9090 | Date: | 2/2/2010 1:58:31 pm |
| Agency Approval: | Dan Mason | Phone: | 360-902-9090 | Date: | 2/2/2010 1:58:31 pm |
| OFM Review: | Ryan Black | Phone: | 360-902-0417 | Date: | 2/9/2010 11:33:44 am |

# Ten-Year Analysis

| Bill Number | Title | Agency |
|---|---|---|
| 3161 HB | Oil windfall profits | 103 Department of Commerce |

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** [ ] **Indeterminate Cash Receipts**

| Name of Tax or Fee | Acct Code | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| Agency Preparation: | Cory Plantenberg | Phone: | (360) 725-3111 | Date: | 2/9/2010 9:57:38 am |
| Agency Approval: | Tony Usibelli | Phone: | 360-725-3110 | Date: | 2/9/2010 9:57:38 am |
| OFM Review: | Ryan Black | Phone: | 360-902-0417 | Date: | 2/9/2010 11:33:44 am |

# Ten-Year Analysis

| Bill Number | Title | Agency |
|---|---|---|
| 3161 HB | Oil windfall profits | 140 Department of Revenue |

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

☐ **No Cash Receipts** ☐ **Indeterminate Cash Receipts**

### Estimated Cash Receipts

| Name of Tax or Fee | Acct Code | Fiscal Year 2010 | Fiscal Year 2011 | Fiscal Year 2012 | Fiscal Year 2013 | Fiscal Year 2014 | Fiscal Year 2015 | Fiscal Year 2016 | Fiscal Year 2017 | Fiscal Year 2018 | Fiscal Year 2019 | 2010-19 TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| B&O Tax | 001 | | | (28,900,000) | (73,400,000) | (77,800,000) | (82,500,000) | (87,400,000) | (92,700,000) | (98,200,000) | (104,100,000) | (645,000,000 |
| Windfall Profits Tax | 001 | | | 183,000,000 | 206,700,000 | 211,800,000 | 216,700,000 | 222,700,000 | 227,900,000 | 230,300,000 | 233,100,000 | 1,732,200,000 |
| **Total** | | | | **154,100,000** | **133,300,000** | **134,000,000** | **134,200,000** | **135,300,000** | **135,200,000** | **132,100,000** | **129,000,000** | **1,087,200,000** |
| **Biennial Totals** | | | | | **287,400,000** | | **268,200,000** | | **270,500,000** | | **261,100,000** | **1,087,200,000** |

| | | |
|---|---|---|
| Agency Preparation: Skeets Johnson | Phone: 360-570-6075 | Date: 2/10/2010 10:17:37 am |
| Agency Approval: Don Gutmann | Phone: 360-570-6073 | Date: 2/10/2010 10:17:37 am |
| OFM Review: Ryan Black | Phone: 360-902-0417 | Date: 2/9/2010 11:33:44 am |

# Ten-Year Analysis

| Bill Number | Title | Agency |
|---|---|---|
| 3161 HB | Oil windfall profits | 142 Board of Tax Appeals |

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

☐ Indeterminate Cash Receipts

| Name of Tax or Fee | Acct Code | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| Agency Preparation: | Victoria Walker | Phone: | (360) 753-5446 | Date: | 2/3/2010 4:04:28 pm |
| Agency Approval: | Steve Saynisch | Phone: | 360-753-5446 | Date: | 2/3/2010 4:04:28 pm |
| OFM Review: | Ryan Black | Phone: | 360-902-0417 | Date: | 2/9/2010 11:33:44 am |

# Ten-Year Analysis

| Bill Number | Title | Agency |
|---|---|---|
| 3161 HB | Oil windfall profits | 150 Dept of General Administration |

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** ☐ **Indeterminate Cash Receipts**

| Name of Tax or Fee | Acct Code | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| Agency Preparation: | Becky Guyer | Phone: | 360-902-0433 | Date: | 2/4/2010 5:40:04 pm |
| Agency Approval: | Michael Kashmar | Phone: | 360-902-7353 | Date: | 2/4/2010 5:40:04 pm |
| OFM Review: | Ryan Black | Phone: | 360-902-0417 | Date: | 2/9/2010 11:33:44 am |

# Ten-Year Analysis

| Bill Number | Title | Agency |
|---|---|---|
| 3161 HB | Oil windfall profits | 310 Department of Corrections |

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** ☐ **Indeterminate Cash Receipts**

| Name of Tax or Fee | Acct Code | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| Agency Preparation: | Eric Johnson | Phone: | 360-725-8268 | Date: | 2/2/2010 5:02:10 pm |
| Agency Approval: | Susan Lucas | Phone: | (360) 725-8277 | Date: | 2/2/2010 5:02:10 pm |
| OFM Review: | Ryan Black | Phone: | 360-902-0417 | Date: | 2/9/2010 11:33:44 am |

# Ten-Year Analysis

| Bill Number | Title | Agency |
|---|---|---|
| 3161 HB | Oil windfall profits | 325 Sentencing Guidelines Commission |

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

Indeterminate Cash Receipts

| Name of Tax or Fee | Acct Code | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| Agency Preparation: | Keri-Anne Jetzer | Phone: | 360-407-1070 | Date: | 2/2/2010 1:13:55 pm |
| Agency Approval: | Duc Luu | Phone: | 360-407-1075 | Date: | 2/2/2010 1:13:55 pm |
| OFM Review: | Ryan Black | Phone: | 360-902-0417 | Date: | 2/9/2010 11:33:44 am |

# Ten-Year Analysis

| Bill Number | Title | Agency |
| --- | --- | --- |
| 3161 HB | Oil windfall profits | 461 Department of Ecology |

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** ☐ **Indeterminate Cash Receipts**

| Name of Tax or Fee | Acct Code | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |

| | | |
| --- | --- | --- |
| Agency Preparation: Paige Boule | Phone: 360-407-6646 | Date: 2/5/2010 3:56:50 pm |
| Agency Approval: Patricia McLain | Phone: 360-407-7005 | Date: 2/5/2010 3:56:50 pm |
| OFM Review: Ryan Black | Phone: 360-902-0417 | Date: 2/9/2010 11:33:44 am |