

Multiple Agency Fiscal Note Summary

Bill Number: 1859 P S HB	Title: 2-year vehicle registration
---------------------------------	---

Estimated Cash Receipts

Agency Name	2011-13		2013-15		2015-17	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Licensing	0	145,019,135	0	4,082,871	0	3,726,840
Total \$	0	145,019,135	0	4,082,871	0	3,726,840

Estimated Expenditures

Agency Name	2011-13			2013-15			2015-17		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Licensing	1.8	0	328,820	.1	0	(3,573,222)	.1	0	(3,686,872)
Total	1.8	\$0	\$328,820	0.1	\$0	\$(3,573,222)	0.1	\$0	\$(3,686,872)

Local Gov. Courts *									
Local Gov. Other **	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Impact

NONE

Prepared by: Alyson Cummings, OFM	Phone: 360-902-0576	Date Published: Preliminary
--	-------------------------------	---------------------------------------

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

** See local government fiscal note

FNPID 28974

Individual State Agency Fiscal Note

Bill Number: 1859 P S HB	Title: 2-year vehicle registration	Agency: 240-Department of Licensing
---------------------------------	---	--

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2012	FY 2013	2011-13	2013-15	2015-17
License Plate Technology Account-State 06T-1		684,540	684,540	17,070	23,140
State Patrol Highway Account-State 081-1		(16,895,560)	(16,895,560)	(102,250,267)	(105,324,245)
Recreational Vehicle Account-State 097-1		257,450	257,450	(55,300)	(56,200)
Transportation Partnership Account-State 09H-1		3,782,764	3,782,764	124,033	125,550
State Wildlife Account-State 104-1		1,328,450	1,328,450	1,172,650	798,500
Motor Vehicle Account-State 108-1		122,891,369	122,891,369	112,800,275	116,210,044
Puget Sound Ferry Operations Account-State 109-1		(1,305,201)	(1,305,201)	(7,413,903)	(7,636,742)
Wildlife Rehabilitation Account-State 14A-1		91,830	91,830	80,388	59,242
DOL Services Account-State 201-1		1,369,090	1,369,090	34,170	46,290
Multimodal Transportation Account-State 218-1		30,441,820	30,441,820	(489,200)	(582,500)
Freshwater Aquatic Weeds Account-State 222-1		654,874	654,874	6,634	6,750
Transportation 2003 Account (Nickel Account)-State 550-1		1,717,709	1,717,709	56,321	57,011
Total \$		145,019,135	145,019,135	4,082,871	3,726,840

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.9	2.6	1.8	0.1	0.1
Account					
Motor Vehicle Account-State 108 -1	114,187	214,633	328,820	(3,573,222)	(3,686,872)
Total \$	114,187	214,633	328,820	(3,573,222)	(3,686,872)

Estimated Capital Budget Impact:

NONE

Request # 1859 PSHB-3

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: Jerry Long	Phone: 360-786-7306	Date: 02/17/2011
Agency Preparation: Sally McVaugh	Phone: (360) 902-3642	Date: 02/24/2011
Agency Approval: Sam Knutson	Phone: (360) 902-3644	Date: 02/24/2011
OFM Review: Alyson Cummings	Phone: 360-902-0576	Date: 02/24/2011

Request # 1859 PSHB-3

Part II: Narrative Explanation

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

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

II. B - Cash receipts Impact

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

II. C - Expenditures

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

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.9	2.6	1.8	0.1	0.1
A-Salaries and Wages	71,843	146,566	218,409	13,952	13,952
B-Employee Benefits	19,697	47,247	66,944	3,982	3,982
E-Goods and Services	51,169	20,820	71,989	(3,591,156)	(3,704,806)
J-Capital Outlays	1,400		1,400		
Total:	\$144,109	\$214,633	\$358,742	(\$3,573,222)	\$(3,686,872)

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 2012	FY 2013	2011-13	2013-15	2015-17
Economic Analyst 2	69,756		0.1	0.1	0.1	0.1
Fiscal Analyst 4	55,836		2.5	1.3		
Info Tech Spec 4	71,496	0.3		0.2		
Info Tech Spec 5	79,800	0.6		0.3		
Total FTE's	276,888	0.9	2.6	1.8	0.1	0.1

III. C - Expenditures By Program (optional)

Program	FY 2012	FY 2013	2011-13	2013-15	2015-17
Mgmt & Support Services (100)	2,095	214,633	216,728	(3,573,222)	(3,686,872)
Information Services (200)	112,092		112,092		
Customer Relations (300)					
Programs & Services (600)	29,922		29,922		
Business and Professions (700)					
Total \$	144,109	214,633	358,742	(3,573,222)	(3,686,872)

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.

Part II: Explanation

This bill establishes a two-year renewal cycle for certain vehicle registrations.

Note: The Department of Licensing (DOL) recommends the effective date be changed to “effective with vehicle registrations that are due on or after September 1, 2012 or according to the implementation cycle created by the department.”

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

Section 1 adds a new section to RCW 46.13A that does the following:

- Puts passenger cars, mopeds, motor homes, motorcycles, private use single-axle trailers, sport utility vehicles, trailers over 2,000 pounds, travel trailers, and vehicles subject to the vehicle license fee by weight that are 8,000 pounds or less on a two year registration cycle.
- Requires DOL to establish an implementation cycle to equalize the quantity of registrations between years.
- Requires DOL to adopt rules to ensure that all applicable state and local original renewal registration fees are collected appropriately for a two-year registration renewal cycle for the vehicles listed in this section.
- Makes refunds based on a twelve-month proration if the vehicle is on a one-year registration renewal cycle and a twenty-four month proration if the vehicle is on a two-year renewal cycle.

Section 4 (10) (a) (iv) requires a vehicle on a two-year registration renewal cycle, when the replacement period is in the middle of a two-year registration renewal cycle, to replace the license plates at the time of renewal after the replacement license plate date for that vehicle.

Section 5 makes the filing fee for a two-year registration renewal six dollars.

Section 6 makes the license plate technology fee for two-year registration renewals fifty cents.

Section 7 makes the license service fee for two-year registration renewals one dollar.

Section 8 makes the subagent service fee for a two-year registration renewal eight dollars.

Section 9 makes the two-year renewal fee sixty-four dollars for personalized license plates.

Section 10 (2) makes the two-year renewal fee for special plates for the vehicles listed in Section 1 twice the amount of the special license plate renewal fees listed in Section 10 (1).

Section 11 makes the aquatic weed fee for boat trailer registration six dollars.

Section 13 (4) requires the registered owner of a personal use vehicle described in RCW 46.16A.455 that is 8,000 pounds or less and is subject to a two year registration renewal cycle to pay twice the amount of license fees.

Section 14 (1) (a) (ii) makes the vehicle weight fee for vehicles on a two-year registration renewal cycle, the difference determined by subtracting thirty dollars from the license fee in Schedule B of RCW 46.17.355 then doubling this amount plus four dollars.

Section 14 (2) makes the weight fee for a motor home vehicle registration one hundred fifty dollars.

Section 15 requires the applicant for registration of a recreation vehicle to pay a six dollar recreational vehicle sanitary disposal fee in addition to any other fees and taxes required by law.

Section 16 makes the act applicable with vehicle registrations that are due or become due on or after September 1, 2012.

Section 17 sets September 1, 2012 as the effective date for this bill

II. B – Cash Receipt Impact

Assumptions:

- The vehicle forecast as adopted by the Transportation Revenue Forecast Council in November 2010 is used to estimate revenue impacts related to this legislation.
- This analysis includes original registrations for vehicles affected by the two-year registration period.
- DOL assumes that regardless of the implementation date of September 1, 2012 that in Fiscal Year 2013 vehicle registrations will equalize the quantity of registrations between years and that the revenue for Fiscal Year 2013 will be the same as if the implementation date was July 1, 2012.
- Subagent fees are not depicted as they are non-state, private revenue.
- Filing fees are not be depicted since these are mainly retained by the county auditor where the transaction is conducted and are non-state, local government revenue.
- The dollar changes by fund are determined by taking the current revenue forecast dollars and subtracting the new proposed forecast dollars.
- The effect of splitting vehicles equally per year will result in a negative revenue impact in years subsequent to implementation because of the two-year renewal cycle. Vehicles that register for two years, including new vehicles, have their renewal registration moved out two years.
- The first year of implementation has increased revenue due to the fact that half of the vehicles pay registration and associated fees for a one year registration period and the other half of the vehicles pay registration and associated fees for a two year registration period. The increase in revenue in Fiscal Year 2013 could equalize the revenue in subsequent years.

Note: The fee distribution is based on current law.

The following table shows the fees for one and two-year vehicle renewals and the distribution of the revenue.

Fees	1-Year	2-Year	Distribution
Registration Renewal for Vehicles Listed in Section 1	\$30.00	\$60.00	\$20.35 to the State Patrol Highway Account; \$0.93 to the Puget Sound Ferry Ops Account; remainder to the Motor Vehicle Account
Trucks 8,000 Pounds or Less	\$38.00, \$48.00, or \$58.00	\$76.00, \$96.00, or \$116.00	22.36 % to the State Patrol Highway Account; 1.375% to the Puget Sound Ferry Ops Account; 5.237% to the Nickel Account; 11.553 % to the Transportation Partnership Account; 59.459% to the Motor Vehicle Account
Passenger Vehicle Weight Fees	\$10.00, \$20.00, or \$30.00	\$20.00, \$40.00, or \$60.00	\$3,000,000 annually to the Freight Mobility Multimodal Account and the remainder to Multimodal Account
Motor Home Weight Fee	\$150.00	\$150.00	All to the Multimodal Account
Personalized Plate Renewal fee	\$32.00	\$64.00	\$30.00 or \$60.00 to the Wildlife Account and \$2.00 or \$4.00 to the Wildlife Rehabilitation Account
RV Disposal Fee	\$6.00	\$6.00	All to the Recreational Vehicle Account
Aquatic Weed Fee	\$6.00	\$6.00	All distributed to the Freshwater Aquatic Weeds Account
License Plate Technology Fee	\$0.25	\$0.50	All to the License Plate Technology Account
DOL Service Fee	\$0.50	\$1.00	All distributed to the DOL Services Account

Cash Receipts	FY 12	FY 13	11-13 Total	13-15 Total	15-17 Total
State Patrol Highway	-	(16,895,560)	(16,895,560)	(102,250,267)	(105,324,245)
State Wildlife		1,328,450	1,328,450	1,172,650	798,500
Motor Vehicle		122,891,369	122,891,369	112,800,275	116,210,044
DOL Services		1,369,090	1,369,090	34,170	46,290
Puget Sound Ferry Operations		(1,305,201)	(1,305,201)	(7,413,902)	(7,636,741)
MultiModal		30,441,820	30,441,820	(489,200)	(582,500)
License Plate Technology		684,540	684,540	17,070	23,140
Wildlife Rehabilitation		91,830	91,830	80,388	59,242
Freshwater Aquatic Weeds (222)		654,874	654,874	6,634	6,750
RV Account (097)		257,450	257,450	(55,300)	(56,200)
Trans Partnership (09H)		3,782,764	3,782,764	124,033	125,551
Nickel Account (550)		1,717,709	1,717,709	56,322	57,011
Total Revenue	-	145,019,134	145,019,134	4,082,872	3,726,842

II. C – Expenditures

The Office of Budget and Economic Analysis will need a permanent Economic Analyst 3 (0.1 FTE) starting in Fiscal Year 2013. The two-year registrations will create an additional transaction activity with its own distinct revenue stream. This position will work with stakeholders and manage the forecast of revenue from this additional activity, including the Office of Financial Management revenue allotment system for initial allotments and quarterly forecast updates. Specific transactions and revenue will be tracked, reported, and

reviewed with stakeholders. This additional revenue stream is part of a transportation forecast, which requires a sixteen-year forecast, presentation, and approval of the Transportation Revenue Forecast Council.

The Finance and Administration Division will need temporary Fiscal Analyst 4's (FA4) (2.5 FTEs). Approximately 220 revenue accounts and distributions will be impacted by this bill. It takes twenty hours to establish each new revenue account code. Also, the computer systems will need testing to make sure that the two-year registration revenue transactions are properly collected by vehicle gross and scale weight, vehicle use class, and for exempt vehicles. (20 hours x 220 revenue transactions = 4,400 hours. Assuming 1808 productive hours in a year, the result would equal $4,400/1808 = 2.5$ FTEs)

The Finance and Administration Division will have reduced expenditures due to printing and mailing fewer renewal notices when going to the two-year renewal notices starting in Fiscal Year 2014. The changes are as follows:

	FY 12	FY13	FY14	FY15	FY16	FY17
Change in Number of Notices			(3,300,297)	(3,352,991)	(3,405,244)	(3,458,506)
Printing @ \$.14 Each			(\$462,042)	(\$469,419)	(\$476,734)	(\$484,191)
Postage @ \$.40			(\$1,320,119)	(\$1,341,196)	(\$1,362,098)	(\$1,383,403)
Total			<u>(\$1,782,160)</u>	<u>(\$1,810,615)</u>	<u>(\$1,838,832)</u>	<u>(\$1,867,593)</u>

The Information Services Division will need an Information Technology Specialist 5 (ITS5) (0.6 FTE) in Fiscal Year 2012. The temporary ITS5 is required for the seven months needed to program the computer systems and will be used as backfill to free up internal staff to work on implementation of this legislation.

ISD will also need to hire a contract programmer in Fiscal Year 2012 for two and a half months. This programmer will work on programming changes needed in the Vehicle Field System (VHS).

The Program and Services Division will need a temporary Information Technology Specialist 4 (ITS4) (0.3 FTE) in Fiscal Year 2012. This non-permanent tester is required for user acceptance testing to test the changes across multiple platforms recording issues in a system problem tracking system to ensure appropriate resources are scheduled for programming corrections, regression testing, maintenance, ongoing subsequent daily system support and analysis of these programming changes and ongoing production functionality.

In addition to the cost of salary and benefits, other costs have been added which include workstations and furniture, personal computers (including software and licenses), facility rent/lease and utility costs, telephone equipment and line charges, desktop support, employee training and other standard goods and services associated with adding new staff.

Part III: Expenditure Detail

III. A – Expenditures by Object or Purpose

	FY 12	FY 13	11-13 Total	13-15 Total	15-17 Total
FTE Staff Years	0.9	2.6	1.8	0.1	0.1
Salaries and Wages	71,843	146,566	218,409	13,952	13,952
Employee Benefits	19,697	47,247	66,944	3,982	3,982
Personal Service Contracts					
Goods and Services	51,169	20,820	71,989	(3,591,156)	(3,704,806)
Travel					
Equipment	1,400		1,400		
Other					
Other					
TOTAL	144,109	214,633	358,742	(3,573,222)	(3,686,872)

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

Object E Breakdown:	FY 12	FY 13	11-13 Total	13-15 Total	15-17 Total
EA Office Supplies	675	1,950	2,625	150	150
EB Postage				(2,661,315)	(2,745,501)
EB Phone/Install/Usage	624		624		
ED Facility/Lease Costs	5,385	15,556	20,941	1,196	1,196
EF Printing				(931,461)	(960,925)
EG Training	479	1,383	1,862	106	106
EL Interagency DP Svcs	313	905	1,218	70	70
EN Personnel Services	485	1,026	1,511	98	98
ER Application Programmers	43,065		43,065		
EZ Other Goods & Svcs	143		143		
Total Goods & Svcs	51,169	20,820	71,989	(3,591,156)	(3,704,806)

III. A (2) – Detail of Expenditures by Fund

Additional information about assumptions and impacts is available directly from the Department of Licensing at 902-3644.

III. B – FTE Detail

EXPENDITURE DETAIL – STAFF

Job Classification	Salary	FY 12	FY 13	11-13 Total	13-15 Total	15-17 Total
Info Tech Spec 5	79,800	0.6		0.3	0.0	0.0
Info Tech Spec 4	71,496	0.3		0.2	0.0	0.0
Economic Analyst 2	69,756		0.1	0.1	0.1	0.1
Fiscal Analyst 4	55,836	0.0	2.5	1.3	0.0	0.0
Total FTEs		0.9	2.6	1.8	0.1	0.1

III. B – Expenditures by Program (optional)

Program	FY 12	FY 13	11-13 Total	13-15 Total	15-17 Total
100 - Mgmt & Support Services	2,095	214,633	216,728	(3,573,222)	(3,686,872)
200 - Information Services	112,092		112,092		
300 - Customer Relations					
600 - Programs & Services	29,922		29,922		
700 - Business & Professions					
<i>Total</i>	144,109	214,633	358,742	(3,573,222)	(3,686,872)

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

Revision to WAC 308-93-060 regarding registration period