

Multiple Agency Fiscal Note Summary

Bill Number: 1954 S HB H AMD	Title: Transportation revenue
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Estimated Cash Receipts

Agency Name	2013-15		2015-17		2017-19	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Licensing	0	672,002,060	0	997,487,700	0	1,005,203,700
Total \$	0	672,002,060	0	997,487,700	0	1,005,203,700

Estimated Expenditures

Agency Name	2013-15			2015-17			2017-19		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	1.5	251,700	251,700	1.0	143,700	143,700	.8	111,400	111,400
Department of Licensing	12.0	0	4,316,374	2.6	0	2,064,036	2.6	0	2,108,770
Department of Transportation	Fiscal note not available								
Total	13.5	\$251,700	\$4,568,074	3.6	\$143,700	\$2,207,736	3.4	\$111,400	\$2,220,170

Local Gov. Courts *									
Loc School dist-SPI									
Local Gov. Other **	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Impact

NONE

Prepared by: Jim Albert, OFM	Phone: (360) 902-0419	Date Published: Preliminary 6/26/2013
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 35793

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 1954 S HB H AMD	Title: Transportation revenue	Agency: 090-Office of State Treasurer
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2014	FY 2015	2013-15	2015-17	2017-19
Essential Rail Assistance Account-State 02M-1	1,100,000	1,100,000	2,200,000	2,200,000	2,200,000
Motor Vehicle Account-State 108-1				(5,200,000)	(5,200,000)
Public Transportation Grant Program Account-State 18W-1				26,000,000	26,000,000
Multimodal Transportation Account-State 218-1	(1,100,000)	(1,100,000)	(2,200,000)	(77,800,000)	(77,800,000)
Transportation 2003 Account (Nickel Account)-State 550-1				33,600,000	33,600,000
Pedestrian, Bicycle, and Safe Routes To School Account-State New-1				21,200,000	21,200,000
Total \$					

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Jerry Long	Phone: 360-786-7306	Date: 06/13/2013
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 06/18/2013
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 06/18/2013
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 06/19/2013

Request # 138-1

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.

SHB 1954 H AMD creates the connecting Washington account and allows the account to retain its earnings from investments.

Also created is the pedestrian, bicycle, and safe routes to school account. Earnings from investments will be credited to the general fund.

Under section 207, beginning September 2015, by the last day of September, December, March, and June of each year, the state treasurer shall transfer four million two hundred thousand dollars from the multimodal transportation account to the nickel account, for a total transfer of thirty-three million six hundred thousand dollars per biennium.

Under section 208, beginning September 2015, by the last day of September, December, March, and June of each year, the state treasurer shall transfer three million two hundred fifty thousand dollars from the multimodal transportation account to the public transportation grant program account, for a total transfer of twenty-six million dollars per biennium.

Under section 210, beginning September 2015, by the last day of September, December, March, and June of each year, the state treasurer shall transfer six hundred fifty thousand dollars from the motor vehicle account to the pedestrian, bicycle, and safe routes to school account, for a total transfer of five million two hundred thousand dollars per biennium.

Under section 210, beginning September 2015, by the last day of September, December, March, and June of each year, the state treasurer shall transfer two million dollars from the multimodal transportation account to the pedestrian, bicycle, and safe routes to school account, for a total transfer of sixteen million dollars per biennium.

Under section 211, beginning September 2013, by the last day of September, December, March, and June of each year, the state treasurer shall transfer two hundred seventy-five thousand dollars from the multimodal transportation account to the essential rail assistance account, for a total transfer of two million two hundred thousand dollars per biennium.

Other cash receipts and distributions estimates will be provided by DOL.

Earnings from investments:

Estimated earnings from investments are indeterminable because projected cash flows are needed to make the estimate and are currently unavailable. Earnings for an account are 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 under review. 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.

For illustrative purposes, assume based on the March 2013 revenue forecast that approximately \$1,600 in FY 14, \$1,600 in FY 15, \$2,800 in FY 16, and \$15,700 in FY 17 in net earnings would be gained or lost annually for every \$1 million shift in average daily cash balances.

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.

Under section 207, beginning September 2015, by the last day of September, December, March, and June of each year, the state treasurer shall transfer four million two hundred thousand dollars from the multimodal transportation account to the nickel account.

Under section 208, beginning September 2015, by the last day of September, December, March, and June of each year, the state treasurer shall transfer three million two hundred fifty thousand dollars from the multimodal transportation account to the public transportation grant program account.

Under section 210 (2), beginning September 2015, by the last day of September, December, March, and June of each year, the state treasurer shall transfer six hundred fifty thousand dollars from the motor vehicle account to the pedestrian, bicycle, and safe routes to school account.

Under section 210 (3), beginning September 2015, by the last day of September, December, March, and June of each year, the state treasurer shall transfer two million dollars from the multimodal transportation account to the pedestrian, bicycle, and safe routes to school account.

Under section 211, beginning September 2013, by the last day of September, December, March, and June of each year, the state treasurer shall transfer two hundred seventy-five thousand dollars from the multimodal transportation account to the essential rail assistance 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.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

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.

Individual State Agency Fiscal Note

Bill Number: 1954 S HB H AMD	Title: Transportation revenue	Agency: 103-Department of Commerce
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Part I: Estimates

☒ No Fiscal Impact

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Jerry Long	Phone: 360-786-7306	Date: 06/13/2013
Agency Preparation: Cory Plantenberg	Phone: (360) 725-3111	Date: 06/13/2013
Agency Approval: Tony Usibelli	Phone: 360-725-3110	Date: 06/13/2013
OFM Review: Kathy Cody	Phone: (360) 902-9822	Date: 06/13/2013

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.

There are no differences between the substitute bill and the proposed amendment to the substitute bill that affect the fiscal impact to the Department of Commerce.

Section 601 requires Commerce to confer with and supply input to the Department of Transportation on the deployment of public charging station locations. There is no fiscal impact to Commerce.

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.

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 functions.

NONE

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.

NONE

Department of Revenue Fiscal Note

Bill Number: 1954 S HB H AMD	Title: Transportation revenue	Agency: 140-Department of Revenue
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	1.5	1.5	1.5	1.0	0.8
Account					
GF-STATE-State 001-1	134,900	116,800	251,700	143,700	111,400
Total \$	134,900	116,800	251,700	143,700	111,400

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Jerry Long	Phone: 360-786-7306	Date: 06/13/2013
Agency Preparation: Diana Tibbetts	Phone: 360-534-1520	Date: 06/14/2013
Agency Approval: Don Gutmann	Phone: 360-534-1510	Date: 06/14/2013
OFM Review: Cherie Berthon	Phone: 360-902-0659	Date: 06/14/2013

Request # 1954-6-1

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.

Note: This fiscal note reflects language in 1954 SHB H AMD.

This act outlines newly proposed funding sources for state transportation revenues. It involves instituting several new taxes and fees, rate increases for some existing taxes and fees, creating new transportation fund accounts, revenue distributions to proposed and current funds, and funding options for local jurisdictions.

Most of the taxes and fees created and amended in this bill are or will be collected and administered by the Department of Licensing.

The portions directly pertaining to the Department of Revenue (Department) in this bill are Sections 406 and 408.

Section 406 (3) amends RCW 82.14.045 allowing a Public Transportation Benefit Area (PTBA) located in a county with a population of 700,000 or more containing a city with a population of 75,000 or more to impose an additional tax of up to three tenths of a percent (in one tenth increments) in addition to the tax currently allowed in RCW 82.14.045(1) with voter approval.

Section 408 adds a new section to 82.14 RCW. In conjunction with section 406(1), this new section expands the authority of transit systems, as defined in this section, to establish an "enhanced public transportation zone" and, with voter approval, impose additional local sales and use taxes to fund enhanced zone. Program and transit agency requirements and restrictions are outlined this section. The tax rate may not exceed the maximum rate allowed under RCW 82.14.045 (0.9 percent maximum rate, in increments of one-tenth of one percent, for public transportation benefit areas). The additional tax expires after five years unless reapproved by voters.

Sections 406 and 408 have an immediate effective date.

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

Island, Jefferson, King and Snohomish counties already levy the local transportation tax at nine-tenths of a percent, so there is no local tax capacity for an enhanced public transportation zone tax in these counties.

Snohomish County PTBA is the only PTBA eligible to increase their local tax by up 0.3 percent to 1.2 percent.

REVENUE ESTIMATES

There is no direct impact to state government. Following current policy of the Department, it is assumed that one percent of the local sales and use tax would be retained by the state to cover collection costs for the local sales tax. Since the extent of utilizing such local taxes within enhanced public transportation zones is unknown, the yield of administrative cost reimbursement is unknown.

The local impact of this bill cannot be accurately estimated due to the unknown number, size, or location of enhanced public

transportation zones that may propose a tax increase to the voters within the zones. Plus, voter approval is required to impose the local transportation tax for enhanced public transportation zones. For illustrative purposes, the existing PTBAs that are levying the local transportation tax below the 0.9 percent limit, could generate an additional \$165 million if they levied the tax at the maximum 0.9 percent rate. Snohomish County could generate an additional \$22 million if they levied the tax at 1.2 percent rate.

This estimate also does not include taxes and fees collected and administered by other agencies in this legislation.

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

ASSUMPTIONS:

- Expenditures assume 5,000 taxpayers will be affected by this proposal.
- Expenditures are contingent on local jurisdictions passing a voter approved rate change.

INITIAL COSTS:

The Department will incur total costs of \$64,800 in Fiscal Year 2013 that are NOT included in the six year expenditure impact for this fiscal estimate. These start-up costs include:

- Labor Costs - Time and effort equates to 0.6 FTEs.
- Programming and testing system changes

FIRST YEAR COSTS:

The Department will incur total costs of \$134,900 in Fiscal Year 2014. These costs include:

- Labor Costs - Time and effort equates to 1.5 FTEs.
- Develop, test and review new line code
 - Communicate with taxpayers
 - Issue and review error out of balance report and amended returns
 - Review Special Notices and flyers

Object Costs - \$11,300.

- Printing and postage of special notices

SECOND YEAR COSTS:

The Department will incur total costs of \$116,800 in Fiscal Year 2015. These costs include:

- Labor Costs - Time and effort equates to 1.5 FTEs.
- Develop, test and review new line code
 - Communicate with taxpayers
 - Issue and review error out of balance report and amended returns
 - Review Special Notices and flyers

Object Costs - \$5,300

- Printing and postage of a special notice

ONGOING COSTS:

Ongoing costs for the 2015-2017 Biennium equal \$143,700 and include similar activities described in the second year costs. Time and effort equates to 0.95 FTEs.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	1.5	1.5	1.5	1.0	0.8
A-Salaries and Wages	70,300	70,300	140,600	88,900	70,200
B-Employee Benefits	21,100	21,100	42,200	26,700	21,100
E-Goods and Other Services	33,700	23,900	57,600	26,200	18,600
J-Capital Outlays	9,800	1,500	11,300	1,900	1,500
Total \$	\$134,900	\$116,800	\$251,700	\$143,700	\$111,400

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 2014	FY 2015	2013-15	2015-17	2017-19
EXCISE TAX EX 2	42,583	0.7	0.7	0.7	0.5	0.4
EXCISE TAX EX 3	50,563	0.8	0.8	0.8	0.5	0.4
Total FTE's	93,146	1.5	1.5	1.5	1.0	0.8

Part IV: Capital Budget Impact

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

NONE

None.

Part V: New Rule Making Required

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

No rule-making required.

Individual State Agency Fiscal Note

Bill Number: 1954 S HB H AMD	Title: Transportation revenue	Agency: 240-Department of Licensing
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Part I: Estimates



No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2014	FY 2015	2013-15	2015-17	2017-19
ORV & Nonhighway Vehicle Account-State 01B-1	477,700	1,046,900	1,524,600	2,236,600	2,205,700
Snowmobile Account-State 01M-1	211,700	406,600	618,300	828,600	846,300
License Plate Technology Account-State 06T-1	97,400	108,500	205,900	243,000	269,900
State Patrol Highway Account-State 081-1				24,872,000	25,134,100
Small City Pavement and Sidewalk Account-State 08M-1				561,400	565,800
Transportation Innovative Partnership Account-State 08T-1	108,960	187,300	296,260	414,600	538,500
Puget Sound Capital Construction Account-State 099-1	10,456,700	23,026,900	33,483,600	49,717,400	49,673,800
Freight Mobility Investment Account-State 09E-1				2,188,300	2,215,100
Highway Safety Account-State 106-1	1,180,470	2,146,300	3,326,770	(78,180,370)	(77,092,000)
Motor Vehicle Account-State 108-1	16,183,040	33,332,900	49,515,940	71,463,400	71,219,700
Puget Sound Ferry Operations Account-State 109-1	6,971,200	15,351,200	22,322,400	62,914,300	63,198,700
Transportation Improvement Account-State 144-1				10,075,500	7,935,100
County Arterial Preservation Account-State 186-1				8,752,800	8,860,200
DOL Services Account-State 201-1	194,800	216,900	411,700	486,100	540,000
Multimodal Transportation Account-State 218-1	35,860,130	84,403,500	120,263,630	235,718,270	243,082,500
Recreation Resources Account-State 267-1	1,193,300	2,617,600	3,810,900	5,599,000	5,532,500
NOVA Program Account-State 268-1	673,300	1,475,700	2,149,000	3,152,600	3,109,400
Transportation 2003 Account (Nickel Account)-State 550-1				(60,789,000)	(61,895,200)
Connecting Washington Account-State NEW-1	128,607,960	305,465,100	434,073,060	650,668,500	652,618,400
Pedestrian/Bicycle/Safe Routes to School Account-State NEW-1				6,564,700	6,645,200
Total \$	202,216,660	469,785,400	672,002,060	997,487,700	1,005,203,700

Estimated Expenditures from:

Request # 1954 SHB-1

Form FN (Rev 1/00)

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Bill # 1954 S HB H AMD

		FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years		14.9	9.1	12.0	2.6	2.6
Account						
Highway Safety Account-State -1	106	53,375	82,302	135,677	13,677	12,032
Motor Vehicle Account-State -1	108	2,672,176	1,508,521	4,180,697	2,050,359	2,096,738
Total \$		2,725,551	1,590,823	4,316,374	2,064,036	2,108,770

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Jerry Long	Phone: 360-786-7306	Date: 06/13/2013
Agency Preparation:	Sally McVaugh	Phone: (360) 902-3642	Date: 06/26/2013
Agency Approval:	Sam Knutson	Phone: (360) 902-3644	Date: 06/26/2013
OFM Review:	Jim Albert	Phone: (360) 902-0419	Date: 06/26/2013

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 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	14.9	9.1	12.0	2.6	2.6
A-Salaries and Wages	614,313	407,352	1,021,665	322,195	325,551
B-Employee Benefits	245,804	157,070	402,874	106,967	108,212
E-Goods and Other Services	1,779,634	1,026,401	2,806,035	1,634,874	1,675,007
J-Capital Outlays	85,800		85,800		
Total:	\$2,725,551	\$1,590,823	\$4,316,374	\$2,064,036	\$2,108,770

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 2014	FY 2015	2013-15	2015-17	2017-19
Customer Serv Spec 2	35,652	10.0	5.0	7.5		
Customer Serv Spec 3	39,312	1.0	1.0	1.0		
Customer Serv Spec 4	43,368	1.0		0.5		
Economic Analyst 3	67,688	0.6	0.6	0.6	0.6	0.6
Fiscal Analyst 2 (indirect)	45,828	1.2	1.2	1.2	0.9	0.9
Fiscal Analyst 5	59,784	0.2	0.4	0.3	0.4	0.4
Info Tech Spec 2 (indirect)	56,892	0.1		0.1		
Info Tech Spec 4	71,496	0.3	0.3	0.3	0.3	0.3
Info Tech Spec 4 (indirect)	71,496	0.5	0.6	0.6	0.4	0.4
Total FTE's	491,516	14.9	9.1	12.0	2.6	2.6

III. C - Expenditures By Program (optional)

Program	FY 2014	FY 2015	2013-15	2015-17	2017-19
Mgmt & Support Services (100)	152,778	172,396	325,174	296,989	299,784
Information Services (200)	1,460,484	273,890	1,734,374	160,873	162,870
Customer Relations (300)	1,112,289	1,144,537	2,256,826	1,606,174	1,646,116
Total \$	2,725,551	1,590,823	4,316,374	2,064,036	2,108,770

Part IV: Capital Budget Impact

NONE

Request # 1954 SHB-1

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 impacts transportation related fees and taxes. It details how they are to be distributed and used and creates new accounts with the Office of the State Treasurer.

Revenue and expenditure estimates in this bill are assumed based on dates and timeframes contained in the DOL Implementation Timeline provided to OFM. For purposes of this analysis, the following implementation dates are assumed:

- Fuel Tax: October 1, 2013
- Enhanced License: January 1, 2014
- GW Fees: February 1, 2014
- License Plate Renewal: July 1, 2014
- Title Registration Service fees: August 1, 2014
- Electric Vehicles: Dec 1, 2014

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

Section 101 (7) adds an additional and cumulative motor vehicle fuel tax of six cents per gallon on motor vehicle fuel imposed on motor vehicle fuel licensees, other than motor vehicle fuel distributors beginning August 1, 2013.

Section 101 (8) adds an additional and cumulative motor vehicle fuel tax of four and one-half cents per gallon on motor vehicle fuel imposed on motor vehicle fuel licensees, other than motor vehicle fuel distributors beginning July 1, 2014.

Section 102 (1) (g) adds an additional and cumulative tax rate of six cents per gallon of special fuel, or each hundred cubic feet of compressed natural gas, measured at standard pressure and temperature on special fuel licensees other than special fuel distributors starting August 1, 2013.

Section 102 (1) (h) adds an additional and cumulative tax rate of four and one-half cents per gallon of special fuel, or each hundred cubic feet of compressed natural gas, measured at standard pressure and temperature on special fuel licensees other than special fuel distributors starting July 1, 2014.

Section 102 (2) (g)) adds an additional and cumulative tax upon fuel licensees at the rate of six cents per gallon of fuel, or each one hundred cubic feet of compressed natural gas measured at standard pressure and temperature starting August 1, 2013.

Section 102 (2) (h)) adds an additional and cumulative tax upon fuel licensees at the rate of four and one-half cents per gallon of fuel, or each one hundred cubic feet of compressed natural gas measured at standard pressure and temperature starting July 1, 2014.

Section 103 repeals laws of 2013 c 225 s 103.

Section 104 distributes the remaining net revenue collected under RCW 82.36.025 (7) and (8) and 82.38.030 (1) (g) and (h) as follows:

- 5% to counties under RCW 46.68.122
- 5% to cities under RCW 46.68.110
- 5% to the Puget Sound Ferry Operations Account
- 7.5 % to the Puget Sound Capital Construction Account
- 77.5 % to the Connecting Washington Account

Section 105 distributes the remaining net revenue collected under RCW 82.38.030 (2) (g) and (h) as follows:

- 5% to counties under RCW 46.68.122
- 5% to cities under RCW 46.68.110
- 5% to the Puget Sound Ferry Operations Account
- 7.5 % to the Puget Sound Capital Construction Account

- 77.5% to the Connecting Washington Account

Section 106 creates the Connecting Washington Account in the Motor Vehicle Fund.

Sections 107 and 108 add the Connecting Washington Account to those accounts receiving their proportionate share of earnings based upon the average daily balance for the period.

Section 109 (1) changes the tax rate for the one percent refund on motor vehicle fuel collected under RCW 82.36 as follows:

- 29 cents per gallon of motor vehicle fuel beginning August 1, 2013
- 33.5 cents per gallon beginning July 1, 2014
- 48 cents per gallon beginning July 1, 2029 and thereafter

Section 110 changes the tax rate used to determine the amount paid for vehicle fuel tax used by snowmobiles as follows:

- 29 cents per gallon of motor vehicle fuel beginning August 1, 2013
- 33.5 cents per gallon beginning July 1, 2014
- 48 cents per gallon beginning July 1, 2029 and thereafter

Section 111 changes the tax rate used to determine marine fuel tax refunds as follows:

- 29 cents per gallon of motor vehicle fuel beginning August 1, 2013
- 33.5 cents per gallon beginning July 1, 2014
- 48 cents per gallon beginning July 1, 2029 and thereafter

Section 112 repeals RCW 82.36.029 and RCW 82.38 regarding fuel handling loss.

Section 201 requires the distribution of the fifteen dollar application fee for a certificate of title to all be distributed under RCW 46.68.020. Ten dollars no longer goes to the Nickel Account.

Section 202 changes the distribution of the \$13 fee for a record of traffic charges requested by a parent, parents, or guardian of a person under eighteen from fifty percent to the Highway Safety Account and fifty percent according to RCW 46.68.038 to thirty-eight and one-half percent to the Highway Safety Account and sixty-one and one-half percent deposited according to RCW 46.68.038.

Section 203 changes the distribution of the \$13 fee for a person's certified abstract of their drive record requested by the person or their attorney from fifty percent to the Highway Safety Account and fifty percent according to RCW 46.68.038 to thirty-eight and one-half percent to the Highway Safety Account and sixty-one and one-half percent deposited according to RCW 46.68.038.

Section 204 revises RCW 46.52.130 by changing the distribution of the \$13 fee for an abstract of a person's driving record from fifty percent to the Highway Safety Account and fifty percent according to RCW 46.68.038 to thirty-eight and one-half percent to the Highway Safety Account and sixty-one and one-half percent deposited according to RCW 46.68.038.

Section 205 amends RCW 46.68.041 by changing the distribution of funds collected under chapter 46.20 RCW.

- Twenty-four dollars of each driver's license issuance fee must be deposited in the Puget Sound Ferry Operations Account. However, if the fee is for a driver's license with a term of less than six years, the amount deposited in the Puget Sound Ferry Operations Account is four dollars multiplied by the number of years in the term of the driver's license.
- Six dollars of each driver's license renewal fee paid under RCW 46.20.181(2) is for the sole use of the Department of Transportation with twenty-five percent of the amount deposited in the Freight Mobility Investment Account and seventy-five percent in the Pedestrian, Bicycle, and Safe Routes to School Account.
- Twelve dollars of each driver's license renewal fee is to be deposited in the Puget Sound Ferry Operations Account.

- Six dollars of each driver's license renewal fee is to be deposited in the County Arterial Preservation Account.
- Thirty dollars of each Identicard fee is to be deposited in the Transportation Improvement Account.
- Two dollars and fifty cents of each driver's instruction permit fee is to be deposited in the State Patrol Highway Account.
- Two dollars and fifty cents of each driver's instruction permit fee is to be deposited in the Small City Pavement and Sidewalk Account.
- Fifteen dollars of each driver's licensing examination fee is to be deposited in the State Patrol Highway Account.
- Five dollars of each duplicate or replacement fee paid under RCW 46.20.200 must be deposited in the State Patrol Highway Account.
- One hundred seventy-five dollars of each hearing request fee must be deposited in the State Patrol Highway Account.

Section 206 changes the distribution of fees for Motor Change, Title Transfer, Security Interest Changes, and Duplicate Titles from RCW 46.68.280 (deposit to the Nickel Account) to RCW 47.66.070 (deposit to the Multimodal Transportation Account.)

Section 207 requires the State Treasurer, beginning in September 2015, to transfer \$4,200,000 quarterly from the Multimodal Transportation Account to the Nickel Account.

Section 208 requires the State Treasurer, beginning in September 2015, to transfer \$3,250,000 quarterly from the Multimodal Transportation Account to the Public Transportation Grant Program Account.

Section 209 repeals laws of 2012 c74 s 18, the 2015 expiration of 46.68.390.

Section 210 creates the Pedestrian, Bicycle, and Safe Routes to School Account. Quarterly, beginning September 2015, the State Treasurer will transfer \$650,000 from the Motor Vehicle Account and \$2,000,000 from the Multimodal Transportation Account to the Pedestrian, Bicycle and Safe Routes to School Account.

Section 211 requires the State Treasurer, beginning September 2013, to transfer quarterly \$275,000 from the Multimodal Transportation Account to the Essential Rail Assistance Account.

Section 301 (1) changes the gross weight fees in RCW 46.17.355 Schedules A and B as follows:

- For 4,000 pounds from \$38 to \$53
- For 6,000 pounds from \$48 to \$73
- For 8,000 pounds from \$58 to \$93
- For 10,000 pounds from \$60 to \$93

Section 301 (6) adds a new Freight Project fee of 15% of the gross weight fee rounded to the nearest whole dollar for vehicles with a declared gross weight of more than 10,000 pounds (unless exempt). The fee is to be deposited to the Connecting Washington Account.

Section 301 (7) distributes the weight fees in Section 301 (1) as follows:

- \$15 paid by an applicant with a vehicle with a declared gross weight of 4,000 pounds or less is to be deposited in the Connecting Washington Account.
- \$25 paid by an applicant with a vehicle with a declared gross weight of 6,000 pounds or less but more than 4,000 pounds is to be deposited in the Connecting Washington Account.
- \$35 paid by an applicant with a vehicle with a declared gross weight of 8,000 pounds or less but more than 6,000 pounds is to be deposited in the Connecting Washington Account.
- \$33 paid by an applicant with a vehicle with a declared gross weight of 10,000 pounds or less but more than 8,000 pounds is to be deposited in the Connecting Washington Account.

Section 302 makes Section 301 applicable to vehicles with registrations that are due or become due on or after February 1, 2014.

Section 303 amends RCW 46.68.035 to exempt freight project fees and the portion of the gross weight fees going to the Connecting Washington Account from the distribution of vehicle license fees.

Section 304 amends RCW 81.77.160 to add that all taxes and fees imposed or increased under this act are to be included in the base for collection of solid waste. This does not impact the Department of Licensing (DOL).

Section 305 requires DOL, auditors, and agents to collect a \$5 fee for each vehicle registration renewal and a \$12 fee for each title transaction, both to be deposited in the Connection Washington Account.

Section 306 makes section 305 applicable to vehicle registrations that are due or become due on or after June 1, 2014.

Section 307 revises RCW 46.17.323 to include vehicles that use at least one method of propulsion that is capable of being reenergized by an external source of electricity to those vehicles paying a \$100 fee at the time of annual registration renewal. The fees are to be deposited in the Transportation Innovative Partnership Account. When the total number of electric vehicles subject to the electric vehicle fee reaches one-half of one percent of the state's total registered vehicle fleet then the fees are to be distributed 70% to the Motor Vehicle Fund, 15% to the Transportation Improvement Account, and 15% to the Rural Arterial Trust Account.

Section 308 requires DOL to collect the filing fee, the license plate technology fee, and the license service fee prior to accepting a report of sale. The service fees are to be deposited in the Multimodal Transportation Account.

Section 309 requires DOL to collect the filing fee, the license plate technology fee, and the license service fee when accepting a transitional ownership record. The service fees are to be deposited in the Multimodal Transportation Account.

Section 310 (4) makes the fee for an enhanced driver license or enhanced Identicard \$54 in addition to any fees for a regular driver's license or Identicard. If the enhanced license or Identicard is issued, renewed, or extended for a period other than six years, the fee for each is \$9 for each year that the card is issued, renewed or extended. Thirty-six dollars of each enhanced driver's license or Identicard fee or six dollars for the fee for each year the cards are issued, renewed, or extended are to be deposited in the Multimodal Transportation Account.

Section 403 allows a Transportation Benefit District to include Native American reservation land.

Section 404 amends RCW 36.73.065 to allow a district to charge a fee up to \$40 dollars of the vehicle fee authorized in RCW 82.80.140 by the governing board of the district.

Section 405 allows a county with a population of one million or more to impose by approval of the majority of the registered voters of the county a local motor vehicle excise tax (MVET) at the time of vehicle renewal of up to one and one-half percent annually on the value of every motor vehicle registered to a person residing within the county with some exemptions. The county must contract with DOL and DOL must deduct an amount determined by contract for its administration and collection expenses.

Section 406 adds "enhanced public transportation zone" to those imposing a tax under 82.14.045. This section also allows a legislative body of a public transportation benefit area located in a county with a population of 700,000 or more that also contains a city with a population of seventy-five thousand or more operating a transit system pursuant to chapter RCE 35.95 may submit an authorizing proposition to the voters regarding a sales and use tax modification.

Section 407 allows a transportation benefit district to increase the vehicle fee from \$20 to \$40 per vehicle.

Section 408 adds a new section to RCW 82.14 listing details of an enhanced public transportation zone.

Sections 409-414 refer to passenger-only ferry service districts which does not impact DOL.

Sections 501-509 regard tolling and do not impact DOL.

Section 601 creates an electric vehicle infrastructure bank to provide financial assistance for the installation of publicly accessible electric vehicle charging stations. This section expires July 1, 2023.

Section 602 states if any provision or application of the act is found invalid, the remainder is not affected.

Section 603 makes the following Sections effective immediately.

- Sections 101 through 104
- Section 106
- Sections 109 through 111
- Sections 210 through 211
- Sections 301 through 306
- Sections 401 through 414
- Sections 501 through 506
- Section 508

Section 604 makes Sections 107 and 112 effective August 1, 2013.

Section 605 makes Section 105 and Sections 201 through 209 effective July 1, 2015.

Section 606 makes Section 307 effective April 1, 2014.

Section 607 makes Sections 308 and 309 effective January 1, 2014.

Section 608 makes Section 310 effective February 1, 2014.

Section 609 makes Sections 507 effective immediately if the requirement set out in Section 7, chapter 36, Laws of 2012 are met.

Section 610 expires Section 107 on the date the requirement set out in section 7, chapter 36, Laws of 2012 are met.

Section 611 makes Section 108 effective if the requirement set out in section 7, chapter 36, Laws of 2012 are met.

Section 612 expires Sections 101 and 104 on July 1, 2015.

Section 613 expires Section 307 on the effective date of legislation that imposes a vehicle miles traveled fee or tax.

II. B – Cash Receipt Impact

The June 2013 Revenue and Workload forecasts as adopted by the Transportation Revenue Forecast Council were used in the analysis of this bill. Listed below are the items that affect DOL.

Revenue estimates in this bill are assumed based on dates and timeframes contained in the DOL Implementation Timeline provided to OFM. For purposes of this analysis, the following implementation dates are assumed:

- Fuel Tax: October 1, 2013
- Enhanced License: January 1, 2014
- GW Fees: February 1, 2014

- License Plate Renewal: July 1, 2014
- Title Registration Service fees: August 1, 2014
- Electric Vehicles: Dec 1, 2014

Fuel Tax Increase—(Sections 101-102, Sections 104 and 105 establish the distribution of net tax) The fuel tax is increased by 6 cents on August 1, 2013 and by 4.5 cents on July 1, 2014. The distribution of net tax is 5% to counties under RCW 46.68.122, 5% to cities under RCW 46.68.110, 5% to the Puget Sound Ferry Operations Account, 7.5 % to the Puget Sound Capital Construction Account, and 77.5% to the Connecting Washington Account. The June 2013 Transportation Revenue Forecast for fuel was used to project the revenue increase and the distributions.

Marine Fuel Transfers (Section 109) increases the amount of the fuel tax refund paid on marine fuel. The tax is increased by 6 cents August 1, 2013 and 4.5 cents on July 1, 2014, and 14.5 cents beginning July 1, 2029.

Fuel Tax Refunds for Snowmobile Fuel Tax (Section 110) increases the amount of the tax refund paid on snowmobile fuel. The tax is increased by 6 cents August 1, 2013 and 4.5 cents on July 1, 2014, and 14.5 cents beginning July 1, 2029.

Fuel Tax Refunds on Marine Fuel Tax (Section 111) increases the amount of the tax refund paid on marine fuel tax. The tax is increased by 6 cents August 1, 2013 and 4.5 cents on July 1, 2014, and 14.5 cents beginning July 1, 2029.

Repeal of Fuel Handling Loss (Section 112)

Title Fee Distribution (Section 201) requires the certificate of title application fee to be distributed under RCW 46.68.020. Ten dollars of each fee no longer goes to the Nickel Account.

Abstract of Drive Record (Sections 202, 203, 204)

These sections change the distribution of the \$13 fee for an Abstract of Drive Record (ADR) from 50% to the State Patrol Highway Account (SPHA) and 50% to the Highway Safety Fund (HSF) to 61.5% to the State Patrol Highway Account and 38.5% to the Highway Safety Fund. The ADR counts from the June 2013 forecast were used to determine the revenue and the distributions.

Change in Distribution of Driver License Fees and Identicards (Section 205) The Driver License Forecast from the June 2013 Transportation Revenue Forecast was used to determine the change in distributions.

License Fees by Weight (4,000 to 10,000 pounds) (Effective with registrations that are due or become due on or after February 1, 2014) (Section 301 (1)) increases vehicle weight fees as follows: for vehicles 4,000 pounds from \$38 to \$53; for vehicles 6,000 pounds from \$48 to \$73; for vehicles 8,000 pounds from \$58 to \$93; and for vehicles 10,000 pounds from \$60 to \$93. The fees are distributed as follows: \$15 paid by an applicant with a vehicle with a declared gross weight of 4,000 pounds or less is to be deposited in the Connecting Washington Account; \$25 paid by an applicant with a vehicle with a declared gross weight of 6,000 pounds or less but more than 4,000 pounds is to be deposited in the Connecting Washington Account; \$35 paid by an applicant with a vehicle with a declared gross weight of 8,000 pounds or less but more than 6,000 pounds is to be deposited in the Connecting Washington Account; \$33 paid by an applicant with a vehicle with a declared gross weight of 10,000 pounds or less but more than 8,000 pounds is to be deposited in the Connecting Washington Account.

Passenger Weight Fees (Effective with registrations that are due or become due on or after February 1, 2014) (Section 301 (1)) increases vehicle weight fees as follows: for vehicles 4,000 pounds from \$38 to \$53; for vehicles 6,000 pounds from \$48 to \$73; for vehicles 8,000 pounds from \$58 to \$93; and for vehicles 10,000 pounds from \$60 to \$93. The fees are distributed as follows: \$15 paid by an applicant with a vehicle with a declared gross weight of 4,000 pounds or less is to be deposited in the Connecting Washington Account; \$25 paid by an applicant with a vehicle with a declared gross weight of 6,000 pounds or less but more than 4,000 pounds is to be deposited in the Connecting Washington Account; \$35 paid by an

applicant with a vehicle with a declared gross weight of 8,000 pounds or less but more than 6,000 pounds is to be deposited in the Connecting Washington Account; \$33 paid by an applicant with a vehicle with a declared gross weight of 10,000 pounds or less but more than 8,000 pounds is to be deposited in the Connecting Washington Account.

License Fees by Weight and New Freight Project Fee (Effective with registrations that are due or become due on or after February 1, 2014) Section 301 (6) establishes a freight project fee equal to a 15% increase in the declared gross weight fee for vehicles with a declared gross weight of more than 10,000 pounds, unless specifically exempt. The fee is deposited in the Connecting Washington Account.

Service Fees (Section 305)

Effective Immediately—\$5 service fee for each registration renewal to be collected by Agents, County Auditors and DOL deposited into the Connecting Washington Account.

Effective Immediately—\$12 service fee for each title transaction to be collected by Agents, County Auditors and DOL deposited into the Capital Vessel Replacement Account. Any amount collected in excess of \$7 million in a fiscal year is to be deposited into the Connecting Washington Account.

The vehicle registration forecast and title forecast were used to estimate the revenue impact. During Fiscal Year 2012, according to analysis by DOL's Research and Planning Office the total number of vehicle registration transactions was conducted as follows: 0.53% by DOL, 62.03% by subagents, and 37.44% by county auditors and of the total number of paper title transactions (FY 2010-12), 15.8% were conducted by DOL, 62.9% were conducted by subagents, and 14.9% were conducted by county auditors

Electric Vehicle Fee Extended to Hybrids (Effective April 1, 2014) (Section 307) amends RCW 46.17.323 to include vehicles that use at least one method of propulsion that is capable of being reenergized by an external source of electricity.) The \$100 fee is due at the time of annual registration. The electric vehicle fee is to be deposited into the Transportation Innovative Partnership Account until the total number of electric vehicles subject to the fee has reached one-half of one percent of the state's total registered vehicle fleet and then the proceeds must be deposited in the Motor Vehicle Fund and distributed 70% to the Motor Vehicle Fund, 15% to the Transportation Improvement Account, and 15% to the Rural Arterial Trust Account. Based on the June 2013 Transportation Revenue Forecast, the number of electric vehicles does not reach one-half of one percent for the period covered by this analysis which is through Fiscal Year 2029.

Report of Sale and Transitional Ownership Record Fees (Effective January 1, 2014) Section 308 and 309 amends RCW 46.17.050 and RCW 46.17.060 by requiring the department to collect the filing fee, the license plate technology fee, and the \$5 registration renewal fee prior to accepting a report of sale or a transitional ownership record. Service fees collected by the department are to be deposited into the Multimodal Transportation Account.

Fee Increase for Enhanced Drivers' Licenses and Enhanced Identification Cards (Effective February 1, 2014) Section 310 amends RCW 46.20.202 by changing the fee for an enhanced driver's license (EDL) or enhanced ID (EID) to \$54. If issued, renewed or extended for a period other than six years, the fee is \$9 for each year. Thirty-six dollars of each enhanced driver's license or Identicard fee or six dollars for the fee for each year the cards are issued, renewed, or extended are to be deposited in the Multimodal Transportation Account. Fiscal Year 2014 reflects five months of revenue.

Local Jurisdiction Revenue Sections 401-414):

These local jurisdiction revenues are indeterminate. It is unknown which jurisdictions might collect or increase fees allowed by these sections of the bill. Contracts would need to be established with DOL for the administration and collection of any authorized revenue.

Increase in TBD Fees—(Section 404 and 407). Below is a scenario of what each county's revenue might be if they each charged a TBD fee of \$40 per eligible vehicle. This assumes a TBD is in effect for a full year and includes those counties already charging a TBD fee. This revenue is not included in this fiscal note because it is local revenue.

County Name	Count	Proposed Revenue @ \$40
Adams	13,145	\$525,800
Asotin	17,627	\$705,080
Benton	149,137	\$5,965,480
Chelan	58,403	\$2,336,120
Clallam	58,763	\$2,350,520
Clark	314,880	\$12,595,200
Columbia	3,416	\$136,640
Cowlitz	86,092	\$3,443,680
Douglas	28,657	\$1,146,280
Ferry	5,564	\$222,560
Franklin	60,651	\$2,426,040
Garfield	2,079	\$83,160
Grant	61,712	\$2,468,480
Grays Harbor	50,024	\$2,000,960
Island	67,739	\$2,709,560
Jefferson	29,174	\$1,166,960
King	1,388,661	\$55,546,440
Kitsap	197,885	\$7,915,400
Kittitas	30,102	\$1,204,080
Klickitat	15,992	\$639,680
Lewis	59,992	\$2,399,680
Lincoln	9,296	\$371,840
Mason	53,769	\$2,150,760
Okanogan	30,104	\$1,204,160
Pacific	14,762	\$590,480
Pend Oreille	11,713	\$468,520
Pierce	516,883	\$20,675,320
San Juan	12,190	\$487,600
Skagit	99,007	\$3,960,280
Skamania	9,641	\$385,640
Snohomish	542,221	\$21,688,840
Spokane	344,690	\$13,787,600
Stevens	33,909	\$1,356,360
Thurston	210,434	\$8,417,360
Wahkiakum	3,878	\$155,120
Walla Walla	43,789	\$1,751,560
Whatcom	162,214	\$6,488,560
Whitman	24,697	\$987,880
Yakima	178,208	\$7,128,320
Total	5,001,100	\$200,044,000

Local MVET (King County only currently) (Section 405) needs approval by vote of the people or by a majority vote of the county council. The bill exempts specific vehicles from the MVET created within this section. These are vehicles subject to declared gross weight fees under RCW 46.17.355, except for those with a scale weight of 6000 pounds or less, farm vehicles, fixed load vehicles and commercial trailers.

Below is a scenario of the revenue that would be received by King County. The analysis is based on criteria for the valuation of vehicles found in RCW 82.44.035 using data from September 11, 2012. This data is based on use class. The bill refers to vehicles with a scale weight of 6,000 pounds or less, which is a

different analysis and therefore so as to not overstate the revenue, only passenger cars and trucks are included in this scenario. This revenue is not included in this fiscal note.

	Counts	Mean Value	Fleet Value	King County MVET at Rate of 1.5% Annually
Passenger Cars	1,241,424	\$7,543	\$9,364,247,446	\$140,463,712
Trucks	176,672	\$4,639	\$819,666,211	\$12,294,993
			Total	\$152,758,705

Cash Receipts	FY 14	FY 15	13-15 Total	15-17 Total	17-19 Total
Puget Sound Capital Construction Account	10,456,700	23,026,900	33,483,600	49,717,400	49,673,800
Transportation Improvement Account	-	-	-	10,075,500	7,935,100
County Arterial Preservation Account	-	-	-	8,752,800	8,860,200
Recreation Resource Account	1,193,300	2,617,600	3,810,900	5,599,000	5,532,500
NOVA Program Account	673,300	1,475,700	2,149,000	3,152,600	3,109,400
ORV & Nonhighway Vehicle Account	477,700	1,046,900	1,524,600	2,236,600	2,205,700
Snowmobile Account	211,700	406,600	618,300	828,600	846,300
Small City Pavement and Sidewalk Account	-	-	-	561,400	565,800
Transportation Innovative Partnership Account	108,960	187,300	296,260	414,600	538,500
Freight Mobility Investment Account	-	-	-	2,188,300	2,215,100
Nickel Account	-	-	-	(60,789,000)	(61,895,200)
State Patrol Highway	-	-	-	24,872,000	25,134,100
Highway Safety	1,180,470	2,146,300	3,326,770	(78,180,370)	(77,092,000)
Motor Vehicle	16,183,040	33,332,900	49,515,940	71,463,400	71,219,700
DOL Services	194,800	216,900	411,700	486,100	540,000
Puget Sound Ferry Operations	6,971,200	15,351,200	22,322,400	62,914,300	63,198,700
MultiModal	35,860,130	84,403,500	120,263,630	235,718,270	243,082,500
License Plate Technology	97,400	108,500	205,900	243,000	269,900
Connecting Washington Account	128,607,960	305,465,100	434,073,060	650,668,500	652,618,400
Pedestrian/Bicycle/Safe Routes to School Account	-	-	-	6,564,700	6,645,200
Total Revenue	202,216,660	469,785,400	672,002,060	997,487,700	1,005,203,700

Local Jurisdiction Revenue:

These local jurisdiction revenues are indeterminate. It is unknown which jurisdictions might collect or increase fees allowed by these sections of the bill. Contracts would need to be established with DOL for the administration and collection of any authorized revenue.

Increase in TBD Fees—(Section 404). Below is a scenario of what each county's revenue might be if they each charged a TBD fee of \$40 per eligible vehicle. This assumes a TBD is in effect for a full year and includes those counties already charging a TBD fee. This revenue is not included in this fiscal note because it is local revenue.

County Name	Count	Proposed Revenue @ \$40
Adams	13,145	\$525,800
Asotin	17,627	\$705,080
Benton	149,137	\$5,965,480
Chelan	58,403	\$2,336,120
Clallam	58,763	\$2,350,520
Clark	314,880	\$12,595,200
Columbia	3,416	\$136,640
Cowlitz	86,092	\$3,443,680
Douglas	28,657	\$1,146,280
Ferry	5,564	\$222,560
Franklin	60,651	\$2,426,040
Garfield	2,079	\$83,160
Grant	61,712	\$2,468,480
Grays Harbor	50,024	\$2,000,960
Island	67,739	\$2,709,560
Jefferson	29,174	\$1,166,960
King	1,388,661	\$55,546,440
Kitsap	197,885	\$7,915,400
Kittitas	30,102	\$1,204,080
Klickitat	15,992	\$639,680
Lewis	59,992	\$2,399,680
Lincoln	9,296	\$371,840
Mason	53,769	\$2,150,760
Okanogan	30,104	\$1,204,160
Pacific	14,762	\$590,480
Pend Oreille	11,713	\$468,520
Pierce	516,883	\$20,675,320
San Juan	12,190	\$487,600
Skagit	99,007	\$3,960,280
Skamania	9,641	\$385,640
Snohomish	542,221	\$21,688,840
Spokane	344,690	\$13,787,600
Stevens	33,909	\$1,356,360
Thurston	210,434	\$8,417,360
Wahkiakum	3,878	\$155,120
Walla Walla	43,789	\$1,751,560
Whatcom	162,214	\$6,488,560
Whitman	24,697	\$987,880
Yakima	178,208	\$7,128,320
Total	5,001,100	\$200,044,000

Local MVET (King County only currently) (Section 405) needs approval by vote of the people or by a majority vote of the county council. The bill exempts specific vehicles from the MVET created within this section. These are vehicles subject to declared gross weight fees under RCW 46.17.355, except for those with a scale weight of 6000 pounds or less, farm vehicles, fixed load vehicles and commercial trailers.

Below is a scenario of the revenue that would be received by King County. The analysis is based on criteria for the valuation of vehicles found in RCW 82.44.035 using data from September 11, 2012. This data is based on use class. The bill refers to vehicles with a scale weight of 6,000 pounds or less, which is a different analysis and therefore so as to not overstate the revenue, only passenger cars and trucks are included in this scenario. This revenue is not included in this fiscal note.

	Counts	Mean Value	Fleet Value	King County MVET at Rate of 1.5% Annually
Passenger Cars	1,241,424	\$7,543	\$9,364,247,446	\$140,463,712
Trucks	176,672	\$4,639	\$819,666,211	\$12,294,993
			Total	\$152,758,705

II. C – Expenditures

Information Services Division (ISD)—Data System Modification Costs

New local revenue options, fuel tax increases, service fees and report of sale changes, gross weight fees, new fee distributions, increase in costs for EDLs and EIDs, and adding hybrids to the electric vehicle annual registration renewal fee will require modification of the Vehicle Field System (VFS), the Driver Field System (DFS), DOL revenue systems, online fee distribution reports, the License Services Office (LSO) Reconciliation System, the Driver Refund System, and the Driver online system. These changes will necessitate planning, programming and user acceptance testing.

Below is a summary to implement the entire bill as written with primary work to be performed through contractors.

Table I

Breakdown of Contracted IS Startup Costs:

Cost Category	Description	Months	Rate	Cost
Project Developers/Testers	Modify programming and coding to all major systems; test to verify individual components meet requirements; ensure that other business transactions have not been impacted	50.5	\$16,878	\$852,336
Senior Project Manager/ Expert Analyst	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	15.8	\$22,620	\$356,265
Expert Project Manager	Manage schedule and contracts	7.3	\$26,100	\$189,225
Project Contingency	OCIO designated rate of 10%			\$139,783
		73.5		\$1,537,609

Below are detailed data system modification cost estimates for new fees, increased fees, and distributions.

Table II

New Fees/Distribution	Cost/ Project Mgr	Cost/ Analyst	Cost/ Dev-Tester	Contingency	Total Cost
Fuel Tax	\$13,050	\$11,310	\$33,756	\$5,812	\$63,927
Title-Application Distribution	\$13,050	\$11,310	\$16,878	\$4,124	\$45,362
Driver Abstract & License Fee Distribution	\$0	\$0	\$0	\$0	\$0
Distribution of Driver Transactions	\$13,050	\$22,620	\$33,756	\$6,943	\$76,368
Treasurer Reporting & Distribution	\$13,050	\$11,310	\$25,317	\$4,968	\$54,644
Gross Weight & Freight Fee	\$26,100	\$45,240	\$101,268	\$17,261	\$189,868
Service Fees & Report of Sale	\$39,150	\$101,790	\$261,609	\$40,255	\$442,803
Hybrid Fee	\$39,150	\$67,860	\$160,341	\$26,736	\$294,086
Enhanced Driver License	\$6,525	\$5,655	\$33,756	\$4,594	\$50,530
Local Revenue	\$26,100	\$79,170	\$185,658	\$29,093	\$320,021
Total	\$189,225	\$356,265	\$852,339	\$139,786	\$1,537,609

Additionally ISD will need an Information Technology Specialist 4 (0.3 FTE) ongoing to support and maintain the new Report of Sale Billing Process which will require at least ten hours per week to accomplish.

Policy and Finance Division

DOL's forecasting unit will need an Economic Analyst 3 (0.6 FTE) ongoing starting in Fiscal Year 2014. This position will track the new revenue forecasts for the services fees that DOL and auditors will now collect for title and registration transactions, fees that will now be collected for reports of sale, (DOL Services & License Plate Technology Fees, Filing Fee, and a Service Fee), and hybrid vehicle Fee. The Economic Analyst 3 will work with stakeholders and manage the forecast of revenue from these additional activities, including the OFM revenue allotment system for initial allotments and quarterly forecast updates. The new revenue streams will be part of the transportation forecast, which requires a 16-year forecast, presentation, and approval of the Transportation Revenue Forecast Council.

Revenue Accounting will need a Fiscal Analyst 5 (0.2 FTE in Fiscal Year 2014 and 0.4 FTE ongoing starting in Fiscal Year 2015.) This position will be needed to enter additional information into spreadsheets due to 51 additional revenue account codes, to record the new fees and fee distributions, and to reconcile and report those fees to other agencies and the State Treasurer.

Programs and Services Division

Approximately 25% of customers renew their vehicle registrations, driver licenses, and identification cards online and pay with a credit card. The credit card fees of approximately 2.2% are based on the amount of the charge. The following table shows the increase in credit card costs:

Fee	FY14	FY15	FY16	FY17	FY18	FY19
License Weight Fees (4,000-10,000 Pounds)	\$14,514,500	\$35,185,600	\$35,328,800	\$35,600,900	\$35,932,700	\$36,028,200
License Weight Fees -Passenger Vehicles	\$33,406,900	\$82,000,600	\$83,775,700	\$85,612,000	\$86,811,300	\$87,999,600
Revenue	\$4,242,900	\$10,285,500	\$10,327,400	\$10,406,900	\$10,503,900	\$10,531,800
Fee	\$1,135,460	\$13,867,000	\$14,117,000	\$14,378,500	\$14,550,000	\$14,723,500
Electric Vehicle Fee	\$46,600	\$53,600	\$56,500	\$59,600	\$62,900	\$66,400
Increase in EDL/EID Fees (Highway Safety Account)	\$517,200	\$1,078,800	\$1,229,600	\$1,138,700	\$1,040,000	\$1,043,500
Total New Renewal Notice Revenue	\$53,863,560	\$142,471,100	\$144,835,000	\$147,196,600	\$148,900,800	\$150,393,000
25% Charged to Credit Cards	\$13,465,890	\$35,617,775	\$36,208,750	\$36,799,150	\$37,225,200	\$37,598,250
2.2% Credit Card Fee	\$296,250	\$783,591	\$796,593	\$809,581	\$818,954	\$827,162

Customer Relations Division

The Customer Service Center will need additional staff to answer the increase in calls resulting from the changes in this bill. DOL's past experience with fee changes has shown that they initially resulted in approximately 30% of registered vehicle owners calling or emailing to ask questions about the fees. The number of calls declines in subsequent years as owners become familiar with the changes. A Customer

Service Specialist 2 (CSS2) can answer 1,500 calls per month. With over six million registered vehicles in the state, the number of yearly calls will be approximately 1.8 million or about 150,000 calls per month requiring ten CSS2s (10.0 FTEs). In addition, a Customer Service Specialist 3 (1.0 FTE) will be needed to support the CSS2s and answer the more difficult questions and a Customer Service Specialist 4 (1.0 FTE) will be needed as a supervisor. These Customer Service Specialists will all be needed in Fiscal Year 2014. During Fiscal Year 2015, 5 of the CSS2s and the CSS3 will be needed. Starting in Fiscal Year 2016, no additional Customer Service Center staff is requested.

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. For Fiscal Year 2014 indirect staff consist of an Information Technology Specialist 4 (0.5 FTE), a Fiscal Analyst 2 (1.2 FTE), and an Information Technology Specialist 2 (0.1 FTE).

Indeterminate expenditures for the King County MVET and for TBD fee increase: (costs not included in this fiscal note)

- Credit card fees resulting in new local jurisdiction revenue transacted when renewing registrations online.
- Central Operations and Resources—a Contracts Special 3 1 (FTE) would be requested to update TBD contracts, write new TBD contracts, and any county MVET agreements.
- Accounting Office—a Fiscal Analyst 5 (0.4 for a full fiscal year) ongoing to answer questions from state agencies (Department of Transportation and Office of State Treasurer), cities and counties regarding MVET distributions. They will also perform reconciliations, monitor and report driver and vehicle revenue distributions and refunds. This position will work directly with Information Service Division staff to resolve issues related to MVET. Revenue Accounting assumes that the number of dishonored checks will increase and posting them to the Vehicle Field System will require additional verification of reconciliations, monitoring, and working with counties and subagents.
- Records and Program Management Unit—(Local Taxing and Fee Program) will need 20 Customer Service Specialist 2 FTEs and one Licensing Service Manager 1. DOL estimates that approximately 130,000 requests for appeal on the value and will be received each year (10% of approximately 1.3 million transactions.) Each CSS2 would perform 25 appeals daily.
- Vehicle and Vessel Licensing Unit will need a total of 5 Excise Tax Examiner 1s (ETE1) in the Refunds Unit. One ETE1 FTE will be needed for boundary line refunds and the other 4 FTEs will be needed to process appeal refunds. Currently the unit processes 550 shortages and about 100 refunds a month for the Regional Transit Authority. DOL assumes about the same number of boundary line issues for the local MVET because the same GIS system will be used. Sixty percent of the shortages and refunds come from King County, which are roughly 400 transactions per month. At an average of 15 minutes per transaction, one FTE could review 480 transactions per month (7,200/15 minutes per transaction), we would need 1 FTE in the Refunds unit for the boundary line refunds. For the refunds that will be generated through the appeals process DOL is assuming half of the appeals would result in a refund. At an average of 15 minutes per transaction, one FTE could key in 1,440 per month. At 5,416 transactions per month/1440 per FTE requiring 4 FTEs in the Refunds Unit.

Part III: Expenditure Detail

III. A – Expenditures by Object or Purpose

	FY 14	FY 15	13-15 Total	15-17 Total	17-19 Total
FTE Staff Years	14.9	9.1	12.0	2.6	2.6
Salaries and Wages	614,313	407,352	1,021,665	322,195	325,551
Employee Benefits	245,804	157,070	402,873	106,968	108,212
Personal Service Contracts					
Goods and Services	1,779,634	1,026,401	2,806,035	1,634,874	1,675,007
Travel					
Equipment	85,800		85,800		
Other					
Other					
TOTAL	2,725,551	1,590,823	4,316,373	2,064,037	2,108,770

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

Object E Breakdown:	FY 14	FY 15	13-15 Total	15-17 Total	17-19 Total
EA Office Supplies	9,825	5,475	15,300	1,950	1,950
EB Phone/Install/Usage	10,140	3,240	13,380		
ED Facility/Lease Costs	78,377	43,676	122,053	15,556	15,556
EG Training	6,970	3,884	10,854	1,384	1,384
EL Interagency DP Svcs	4,558	2,540	7,098	904	904
EN Personnel Services	3,588	2,121	5,709	1,196	1,196
ER Application Programmers	1,361,228	176,381	1,537,609		
EY Software Maintenance	3,360		3,360		
EZ Other Goods & Svcs	301,588	789,084	1,090,672	1,613,884	1,654,017
Total Goods & Svcs	1,779,634	1,026,401	2,806,035	1,634,874	1,675,007

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

Job Classification	Salary	FY 14	FY 15	13-15 Total	15-17 Total	17-19 Total
Economic Analyst 3	67,688	0.6	0.6	0.6	0.6	0.6
Fiscal Analyst 5	59,784	0.2	0.4	0.3	0.4	0.4
Fiscal Analyst 2 (indirect)	45,828	1.2	1.2	1.2	0.9	0.9
Info Tech Spec 4	71,496	0.3	0.3	0.3	0.3	0.3
Info Tech Spec 4 (indirect)	71,496	0.5	0.6	0.6	0.4	0.4
Info Tech Spec 2 (indirect)	56,892	0.1	0.0	0.1	0.0	0.0
Customer Serv Spec 2	35,652	10.0	5.0	7.5	0.0	0.0
Customer Serv Spec 3	39,312	1.0	1.0	1.0	0.0	0.0
Customer Serv Spec 4	43,368	1.0	0.0	0.5	0.0	0.0
Total FTEs		14.9	9.1	12.0	2.6	2.6

III. B – Expenditures by Program (optional)

Program	FY 14	FY 15	13-15 Total	15-17 Total	17-19 Total
100 - Mgmt & Support Services	152,778	172,396	325,174	296,989	299,784
200 - Information Services	1,460,484	273,890	1,734,374	160,873	162,870
300 - Customer Relations	1,112,289	1,144,537	2,256,826	1,606,174	1,646,116
600 - Programs & Services					
700 - Business & Professions					
<i>Total</i>	<i>2,725,551</i>	<i>1,590,823</i>	<i>4,316,374</i>	<i>2,064,036</i>	<i>2,108,770</i>

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

None