

Multiple Agency Fiscal Note Summary

Bill Number: 2347 S HB	Title: Oil transportation safety
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Estimated Cash Receipts

Agency Name	2013-15		2015-17		2017-19	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of Attorney General	Non-zero but indeterminate cost. Please see discussion."					
Total \$	0	0	0	0	0	0

Estimated Expenditures

Agency Name	2013-15			2015-17			2017-19		
	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 Attorney General	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Board of Pilotage Commissioners	.0	0	0	.0	0	0	.0	0	0
Military Department	.3	37,225	37,225	.0	0	0	.0	0	0
Washington State University	1.6	300,000	300,000	.0	0	0	.0	0	0
Department of Ecology	.7	0	157,112	.9	0	153,390	.3	0	45,468
Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
Department of Fish and Wildlife	.0	0	24,300	.0	0	0	.0	0	0
Total	2.6	\$337,225	\$518,637	0.9	\$0	\$153,390	0.3	\$0	\$45,468

Local Gov. Courts *	Non-zero but indeterminate cost. Please see discussion.								
Loc School dist-SPI									
Local Gov. Other **									
Local Gov. Total									

Estimated Capital Budget Impact

NONE

Prepared by: Linda Steinmann, OFM	Phone: 360-902-0573	Date Published: Final 2/10/2014
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 37304

FNS029 Multi Agency rollup

Judicial Impact Fiscal Note

Bill Number: 2347 S HB	Title: Oil transportation safety	Agency: 055-Admin Office of the Courts
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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
Counties					
Cities					
Total \$					

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

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.

Legislative Contact: Jacob Lipson	Phone: 360-786-7196	Date: 02/04/2014
Agency Preparation: Kitty Hjelm	Phone: 360-704-5528	Date: 02/07/2014
Agency Approval: Ramsey Radwan	Phone: 360-357-2406	Date: 02/07/2014
OFM Review: Cheri Keller	Phone: 360-902-0563	Date: 02/08/2014

Request # Oil-1

Part II: Narrative Explanation

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

Section 11 of this bill would establish a new penalty of between \$1,000 and \$1,500 dollars per gallon of oil spilled from an oil barge towed by a tug that Department of Ecology (DOE) determines to have acted recklessly or negligently.

Section 12 of this bill would allow DOE to issue penalties of up to \$10,000 per day for oil tankers that violate tug escort requirements.

II. B - Cash Receipts Impact

II. C - Expenditures

Section 11 and 12 of this bill would allow Department of Ecology (DOE) to issue two new penalties that they do not issue currently. These penalties can be appealed to a superior court after an appeal to the Pollution Control Hearings Board. There is no data available to estimate how often these two penalties would be appealed to superior court. Based on information received from DOE, these penalties would not be issued very often. Therefore, it is assumed that the fiscal impact of this bill would be less than \$50,000 per year.

The \$50,000 expenditure level represents approximately 84 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 84 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: 2347 S HB	Title: Oil transportation safety	Agency: 100-Office of Attorney General
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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:

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: Jacob Lipson	Phone: 360-786-7196	Date: 02/04/2014
Agency Preparation: Pamela Anderson	Phone: 360 664-4963	Date: 02/07/2014
Agency Approval: Brendan VanderVelde	Phone: 360 586-2104	Date: 02/07/2014
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 02/09/2014

Request # 2014-125-1

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.

Costs identified in this fiscal note do not include costs currently assumed to be indeterminate.

Section 1: Expresses concern over the increased shipment of oil through Washington State and the potential for spills.

Section 2: A new section requiring the Department of Ecology (DOE) to post information on its website related to oil transport.

Section 3: A new section requiring owners of oil facilities to provide information to DOE and prohibiting the release of facility specific information.

Section 4: Requires Washington State University to work with all relevant state agencies to conduct a study to assess the state's readiness to respond to an accident involving oil transport by rail.

Section 5: Amends Board of Pilotage Commissioner's rulemaking authority to provide that DOE has the primary authority (first option) to adopt rules related to oil tankers and to enforce penalties for oil spills

Section 6: Adds Grays Harbor to the list of areas to be protected.

Section 7: Substantially amends the provisions of RCW 88.16.190 related to permissible passageways for oil tankers.

Section 8: Requires DOE to work with stakeholders prior to adopting rules, requires DOE to submit a report to the legislature by December 1, 2014, and gives DOE authority after July 1, 2015 to adopt various rules.

Section 9: Requires vessels carrying liquefied natural gas or petroleum to adhere to the rules adopted DOE.

Sections 10: Amends definitions to add definitions for "transmission pipeline" and "type of oil".

Section 11-12: Adds new sections authorizing DOE to assess penalties for violations.

Section 13-14: Amend the authority of the Pollution Control Hearings Board to hear appeals arising under the penalty provisions in section 11-12.

Section 17: Emergency clause.

Section 18: Savings clause.

This bill has an emergency clause and is assumed to be effective immediately.

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.

Indeterminate cash receipts.

Funds are assumed to be appropriated Legal Service Revolving Account dollars. Legal services costs incurred by the AGO will be billed through the revolving fund to the client agency.

The client agency is assumed to be DOE. The AGO will bill DOE for legal services rendered.

Please note that these cash receipts represent the AGO authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agency's fiscal note. Appropriation authority is necessary in the AGO budget.

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.

Indeterminate expenditure impact.

Assumptions:

1. DOE assumes certain actions to implement this bill. The legal costs associated with assisting DOE in the implementation of this bill could be absorbed within existing resources.
2. There is a possibility that a federal court challenge might be filed to challenge the terms of this bill or to the rules that would implement this bill. The scope of the state's authority to regulate the subject of oil spill prevention and response has been the subject of prior federal litigation. It is not possible to predict whether a court case would be pursued if this bill is enacted, therefore we are identifying associated costs with such a possible case as indeterminate.
3. Any legal services associated with the enactment of this bill may begin in Fiscal Year 2014.

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.

Individual State Agency Fiscal Note

Bill Number: 2347 S HB	Title: Oil transportation safety	Agency: 205-Board of Pilotage Commissioners
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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: Jacob Lipson	Phone: 360-786-7196	Date: 02/04/2014
Agency Preparation: Peggy Larson	Phone: 206-515-3904	Date: 02/05/2014
Agency Approval: Peggy Larson	Phone: 206-515-3904	Date: 02/05/2014
OFM Review: Erik Hansen	Phone: 360-902-0423	Date: 02/05/2014

Request # 001-2-2

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.

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.

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 IV: Capital Budget Impact

NONE

Individual State Agency Fiscal Note

Bill Number: 2347 S HB	Title: Oil transportation safety	Agency: 245-Military Department
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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	0.1	0.4	0.3	0.0	0.0
Account					
General Fund-State 001-1	7,450	29,775	37,225	0	0
Total \$	7,450	29,775	37,225	0	0

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.

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

Legislative Contact: Jacob Lipson	Phone: 360-786-7196	Date: 02/04/2014
Agency Preparation: John Ufford	Phone: (253) 512-7052	Date: 02/10/2014
Agency Approval: Wallace Turner	Phone: 253-512-8202	Date: 02/10/2014
OFM Review: Regan Hesse	Phone: (360) 902-0650	Date: 02/10/2014

Request # -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.

Section 4 of the bill requires Washington State University to consult with department of ecology and the emergency management division of the military department to conduct a study regarding the state's capacity to respond and recover from accidents involving railcars transporting oil. Study requires examining current and projected prevalence of oil transportation by railcar through Washington communities; identify communities at greatest accident risk; examine the extent to which state and local emergency plans, oil spill contingency plans and geographic response plans address this threat; examine the roles and responsibilities of federal, state, local, and tribal entities in preparing for emergencies or oil spills; determine whether adequate resources are available to respond to and recover from such an accident in a timely and effective manner; and address the potential impact to transportation networks and other critical infrastructure from an accident involving oil transported by railcar. This is work more detailed and above the current examination of emergency plans done by the emergency management division and requires compilation of information not normally done in the examination of current plans. In order to complete this work, an additional plan reviewer/analyst will need to be hired on a short term basis (est 5 months).

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.

Funding is used to hire a temporary project employee at a cost of \$31,725 in salary and benefits to provide the information to Washington State University study. The employee would be engaged in a 3 month analysis of state and local emergency plans to determine the degree of preparedness to respond to a rail accident involving oil product in transit and to evaluate the roles and responsibilities of federal, state, local and tribal entities preparing for these emergencies. In the second task the employee would work with the US Dept of Homeland Security, Protective Service Advisor, state agency stakeholders and local stakeholders to identify critical infrastructure at risk and the potential impact a rail accident involving oil tanker would have on the operation and resiliency of the critical infrastructure in question. The travel budget is necessary to engage stakeholders at the local level to determine impacts.

Planning Assumptions: Study projected to begin on April 1, with the Military Department temporary employee in place 60 days later on June 1, after the hiring process is completed. The work is projected to encompass two primary tasks, plan review and critical infrastructure identification, which would run simultaneously. Projected fiscal impact should be consistent across the five month period estimated to complete the work independent of when the work starts.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.1	0.4	0.3		
A-Salaries and Wages	4,817	19,267	24,084		
B-Employee Benefits	1,528	6,113	7,641		
C-Professional Service Contracts					
E-Goods and Other Services	50	450	500		
G-Travel		5,000	5,000		
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$6,395	\$30,830	\$37,225	\$0	\$0

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
Emergency Management Program	48,168	0.1	0.4	0.3		
Specialist 2 - Range						
Total FTE's	48,168	0.1	0.4	0.3		0.0

Part IV: Capital Budget Impact

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.

None

Individual State Agency Fiscal Note

Bill Number: 2347 S HB	Title: Oil transportation safety	Agency: 365-Washington State University
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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	1.4	1.8	1.6	0.0	0.0
Account					
General Fund-State 001-1	119,149	180,851	300,000	0	0
Total \$	119,149	180,851	300,000	0	0

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.

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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: Jacob Lipson	Phone: 360-786-7196	Date: 02/04/2014
Agency Preparation: Chris Jones	Phone: 509-335-9682	Date: 02/10/2014
Agency Approval: Kelley Westhoff	Phone: 5093350907	Date: 02/10/2014
OFM Review: Cherie Berthon	Phone: 360-902-0659	Date: 02/10/2014

Request # 2014-37-2

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 4 of S HB 2347 requires WSU to conduct a study, in consultation with the Department of Ecology and the Emergency Management Division, regarding the state's capacity to respond to and recover from accidents involving railcars transporting oil.

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 WSU responsibility towards the project to assess the state's capacity to respond to and recover from accidents involving railcars transporting oil will be conducted jointly between the School of Economics and the School of Environmental Sciences. Supervision of the project will require time from a supervising faculty member from each School. Due to the time involved there will be .1 FTE in FY14 and .15 FTE in FY15 for each faculty member. In addition, two research associates with economic and environmental expertise will be required to generate the necessary data and for its analysis. Each research associate will devote .35 FTE in FY14 and .50 FTE in FY15. The additional funds for goods and services will be used to purchase necessary supplies, to access data, purchase software and other expendables necessary to conduct the study. Travel funds will be needed to support travel for coordination and collaboration with the Department of Ecology and the Emergency Management Division who are also participating in the assessment. In addition, extensive travel will be required to identify and model potential disaster sites and to consult with appropriate contacts in the railroad and oil industries.

The report required per the study is due to the legislature in December 2014. No expenditures are assumed beyond that date.

The current version of the bill does not contain any funding for the study. WSU would not be able to perform the study without new funding.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	1.4	1.8	1.6		
A-Salaries and Wages	72,251	102,252	174,503		
B-Employee Benefits	22,398	31,699	54,097		
C-Professional Service Contracts	5,000	15,000	20,000		
E-Goods and Other Services	12,000	22,400	34,400		
G-Travel	7,500	9,500	17,000		
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$119,149	\$180,851	\$300,000	\$0	\$0

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
Hourly Employee	12,000	0.5	0.5	0.5		
Postdoct/Research Associate	125,000	0.7	1.0	0.9		
Professor-SES	125,000	0.1	0.2	0.1		
Professor-SoE	100,014	0.1	0.2	0.1		
Total FTE's	362,014	1.4	1.8	1.6		0.0

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: 2347 S HB	Title: Oil transportation safety	Agency: 461-Department of Ecology
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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	0.3	1.1	0.7	0.9	0.3
Account					
Oil Spill Prevention Account-State 217-1	34,274	122,838	157,112	153,390	45,468
Total \$	34,274	122,838	157,112	153,390	45,468

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.

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- ☒ 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: Jacob Lipson	Phone: 360-786-7196	Date: 02/04/2014
Agency Preparation: Amanda Righi	Phone: 360-407-7040	Date: 02/10/2014
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 02/10/2014
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 02/10/2014

Request # 14-064-3

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.

CHANGES FROM PRIOR VERSION: SHB 2347 would make the following changes to HB 2347:

- o Section 4 would transfer primary responsibility for the oil train emergency response study from the Office of Financial Management to Washington State University. The due date of the study would be changed from October 15, 2014, to December 1, 2014. An emergency clause and expiration date of June 30, 2015 would also be added for the study. Ecology assumes the study would be completed between April 1, 2014, and December 1, 2014. These changes would change the fiscal impact to Ecology from HB 2347.
- o Section 3 would prohibit Ecology from releasing facility-specific information about the volume of oil arrivals and departures received. This would not change the fiscal impact from HB 2347.
- o Section 7 would restore the 40,000 deadweight ton threshold for oil tankers entering Puget Sound required to receive a tug escort. This would not change the fiscal impact from HB 2347.
- o Section 8 would make tug escort requirements for oil tankers entering Grays Harbor and the Columbia River contingent upon rule making by Ecology. It would delay Ecology's tug escort rule making authority until July 1, 2015, and add an expiration date of January 1, 2020, for this authority. These changes would not change the fiscal impact from HB 2347. Section 8 would also require Ecology to submit recommendations to the Legislature by December 1, 2014, on the need for new oil tanker tug escort requirements. This would change the fiscal impact to Ecology from HB 2347.
- o Section 11 would establish a new per-gallon penalty for spills from oil barges. This provision would be self-executing and would remove the need for rule making on this issue. One rule making would still be required to implement Sections 5, 7, 8, 9, and 12. This would change the fiscal impact to Ecology from HB 2347.
- o This substitute version of the bill also removed the increased natural resource damage assessments for spills from oil barges that was in Sections 9 and 10. This would not change the fiscal impact from HB 2347.

THIS BILL:

Currently, under RCW 88.46.165 (requirements for reporting volumes of oil transferred), Ecology requires advanced notice of oil transfers via an online system. Ecology also collects data on all reported spills of oil or other hazardous materials.

Sections 2 and 3 would add new quarterly reporting requirements for Ecology. Ecology would be required to provide quarterly reports online with 1) information reported by industry on the number of tank vessels and rail cars that transfer or deliver oil and the volume and type of oil arriving and departing the facility; 2) advance notices of transfer and other information provided pursuant to RCW 88.46.165, including aggregated quantities, types, frequency, duration, and locations of oil transfers; 3) information on spills, accidents, discharges or other prohibited occurrences submitted to the department; and 4) information about volume and type of oil transported

through Washington reported by federal agencies including the Department of Transportation, the United States Coast Guard, the Department of Energy, and the Army Corps of Engineers.

Section 4 would require that Washington State University conduct a study on the state's preparedness and capacity to respond to accidents involving railcars transporting oil. Ecology would provide information and research support for this effort. With the emergency clause in Section 17, the study would begin on April 1, 2014 and would be due on December 1, 2014. Ecology's authority complete the study would expire on June 30, 2015.

Under current law, the Washington State Board of Pilotage Commissioners adopts rules necessary to implement the Pilotage Act under RCW 88.16.190, RCW 88.16.195 and RCW 88.16.200, regulating the pilot and tug requirements for oil tankers operating in restricted waters.

Section 5 of this bill would give Ecology rule making authority under RCW 88.16.190, RCW 88.16.195, RCW 88.16.200 (the Pilotage Act), and Section 12 of this act.

RCW 88.16.190 (standard safety features required for oil tankers) currently 1) prohibits oil tankers larger than 125,000 deadweight tons from traveling beyond a point east of a line extending from Discovery Island light south to New Dungeness light; 2) allows oil tankers from 40,000 up to 125,000 deadweight tons to travel in these areas if equipped with specific safety features or if escorted by a tug or tugs; 3) gives the Washington Utilities and Transportation Commission authority to establish by rule additional tug shaft horsepower requirements; and 4) exempts oil tankers less than 40,000 deadweight tons from the requirements of RCW 88.16.170 - 190.

Section 7 would establish tug escort requirements for oil tankers larger than 40,000 deadweight tons traveling through Puget Sound (Haro Strait, Rosario Strait, Strait of Georgia, Hood Canal, Strait of Juan de Fuca), Grays Harbor, or the Columbia River. Section 7 would give Ecology the authority to adopt rules for additional areas where tug escorts are required and to ensure that escort tugs have sufficient capacity for safe escort.

Section 8 and 9 would require Ecology to seek stakeholder input and consider the data and findings of the 2014 vessel traffic risk assessment prior to adopting rules under this section. Ecology would also have to submit a report to the legislature by December 1, 2014, on the merits of establishing additional tug escort safeguards by rule. The 2015 legislature would have the authority to repeal Ecology's rule making authority under this section. Beginning July 1, 2015, Ecology would have the authority to adopt rules to require tug escorts for oil tankers and additional safeguards related to tanker escorts. This rule authority would be limited if the oil tanker had 'fully redundant systems' - a double hull, two independent propellers, two independent rudders, and protection between systems against fire and flood. Ecology's authority to adopt rules under this section would expire on January 1, 2020.

Section 11 would establish penalties of \$1000 to \$1500 per gallon of oil discharged for Puget Sound (Haro Strait, Rosario Strait, Strait of Georgia, Hood Canal, Strait of Juan de Fuca), Grays Harbor, or the Columbia River, if the tug did not have two qualified individuals in the control bridge. The penalty would be in addition to any natural resource damages or any other penalties under chapters 90.56 (Oil and hazardous substance spill prevention and response), 90.48 (Water pollution control) or 88.46 (Vessel oil spill prevention and response).

Section 12: Ecology currently does not have the authority to issue penalties for violations of pilotage requirements in RCW 88.16.190 or 88.16.200. Section 12 would give Ecology the authority to issue penalties up to \$10,000/day for each violation of RCW 88.16.190 (standard safety features required for oil tankers) or RCW

88.16.200 (liquefied natural or petroleum gas vessels must adhere to oil tanker provisions). Rule changes to implement this section would be done as a part of the rule making in Sections 5, 7, 8, and 9.

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.

Sections 2 and 3 would add new quarterly reporting requirements for Ecology. Ecology assumes that the reporting requirements in Section 2 would be limited to the 23 Class 1 facilities as defined in RCW 90.56.010(11). Ecology also assumes that data gathering and aggregating would include information on approximately 4800 oil transfers and 1300 spill reports per quarter. Ecology estimates that this would require 0.25 FTE of an Environmental Specialist 3 ongoing, starting in October 1, 2014, to gather, aggregate, and report the data quarterly and to maintain the reporting website. Ecology also assumes that the reporting can be done on existing Ecology websites and would not require the creation of a new website.

Section 4 would require that Washington State University (WSU) conduct a study on the state's preparedness and capacity to respond to accidents involving railcars transporting oil. In consultation with WSU, we assume Ecology would provide information and research support for this study. Ecology assumes that the study would be conducted from April 1, 2014, to December 1, 2014. Ecology estimates one full time Marine Transportation Safety Specialist 3 (0.67 FTE) from April 1, 2014, to December 1, 2014, to provide support for this effort.

Sections 5, 7, 8, and 9 would give Ecology the authority to adopt rules requiring tugs to have specific navigational capabilities, more than one tug, tethering to an escort tug, or other safeguards related to tanker escorts. This would require rule-making by Ecology.

Ecology estimates it would take one full-time Environmental Specialist 4, from October 1, 2016, to June 30, 2017, (0.75 FTE) to initiate and manage the rule-making process for requirements in Sections 5, 7, 8, and 9. It would also require one full-time Economic Analyst 3 from January 1, 2017, to March 31, 2017, (0.25 FTE) to provide a small business impact statement and cost benefit analysis. Rule-making would occur after the completion of the Vessel Traffic Risk Assessment and the associated stakeholder process. Ecology assumes this rule would be controversial and would require AAG support. Based on consultation with the Attorney General's Office, AAG support would be within current staffing levels provided to Ecology. (Please note: As described in the ATG's fiscal note for this bill, there is a possibility that a federal court challenge might be filed to challenge the terms of the bill or the rules that would implement this bill. It is not possible to predict whether a court case would be pursued if this bill were enacted, therefore this potential cost to Ecology is indeterminate, and not reflected in this fiscal note.)

Section 8 would require Ecology to submit a report to the legislature by December 1, 2014 on the merits of establishing additional tug escort safeguards by rule. Ecology estimates that this would require one full time Marine Transportation Safety Specialist 3 from July 1, 2014, to December 1, 2014, (0.35 FTE) to research and write the report.

Section 11 would establish penalties of \$1000 to \$1500 per gallon of oil discharged for Puget Sound (Haro Strait, Rosario Strait, Strait of Georgia, Hood Canal, Strait of Juan de Fuca), Grays Harbor, or the Columbia River, if the tug did not have two qualified individuals in the control bridge. The penalty would be in addition to any natural resource damages or any other penalties under chapters 90.56 (Oil and hazardous substance spill prevention and response), 90.48 (Water pollution control) or 88.46 (Vessel oil spill prevention and response). This would not require rule making and would have no fiscal impact to Ecology.

Ecology currently does not have the authority to issue penalties for violations of pilotage requirements in RCW 88.16.190 or 88.16.200. Section 12 would give Ecology the authority to issue penalties up to \$10,000/day for each violation of RCW 88.16.190 (standard safety features required for oil tankers) or RCW 88.16.200 (liquefied natural or petroleum gas vessels must adhere to oil tanker provisions). Rule changes to implement this section would be done as a part of the rule making in Sections 5, 7, 8, and 9.

Notes on costs by object:

Salary estimates are current actual rates at step H, the agency average for new hires.

Benefits are the agency average of 33.0% of salaries.

Goods and Services are the agency average of \$5,709 per direct program FTE.

Travel expenditures are calculated at the agency average rate of \$1,394 per direct program FTE.

Equipment is the agency average of \$1,131 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 32.25% of direct program salaries and benefits, and is shown as object 9. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT Specialist 2.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.3	1.1	0.7	0.9	0.3
A-Salaries and Wages	18,315	65,343	83,658	80,184	23,508
B-Employee Benefits	6,044	21,563	27,607	26,461	7,758
C-Personal Service Contracts					
E-Goods and Services	1,427	5,481	6,908	8,563	2,854
G-Travel	349	1,338	1,687	2,092	698
J-Capital Outlays	283	1,086	1,369	1,697	566
N-Grants, Benefits and Client Services					
P-Debt Service					
S-Interagency Reimbursements					
9-Agency Administrative Overhead	7,856	28,027	35,883	34,393	10,084
Total:	\$34,274	\$122,838	\$157,112	\$153,390	\$45,468

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
ECONOMIC ANALYST 3	63,192				0.1	
ENVIRONMENTAL SPEC 3	47,016		0.2	0.1	0.3	0.3
ENVIRONMENTAL SPEC 4	54,504				0.4	
FISCAL ANALYST 2		0.0	0.1	0.1	0.1	0.0
IT SPECIALIST 2		0.0	0.1	0.0	0.0	0.0
MARINE TRANS SAFETY SPEC 3	73,260	0.3	0.8	0.5		
Total FTE's	237,972	0.3	1.1	0.7	0.9	0.3

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.

Section 5 would give Ecology rule making authority under RCW 88.16.190, RCW 88.16.195 and RCW 88.16.200.

Sections 7, 8 and 9 would give Ecology the authority to adopt rules requiring tugs to have specific navigational capabilities, more than one tug, tethering to an escort tug, or other safeguards related to tanker escorts. This is assumed to require rule making by Ecology.

Section 12 would give Ecology the authority to issue penalties up to \$10,000/day for each violation of RCW 88.16.190 or RCW 88.16.200. Rule changes to implement this section would be done as a part of the rule making in Sections 5, 7, 8, and 9.

Individual State Agency Fiscal Note

Bill Number: 2347 S HB	Title: Oil transportation safety	Agency: 468-Environmental & Land Use Hearings
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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: Jacob Lipson	Phone: 360-786-7196	Date: 02/04/2014
Agency Preparation: Paulette Yorke	Phone: 360-664-9171	Date: 02/04/2014
Agency Approval: Kathy Mix	Phone: (360) 664-9178	Date: 02/04/2014
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 02/04/2014

Request # 14-009-1

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.

S HB1 2347 amends several sections of the law regarding the authorization and standards for vessels transporting oil in the Puget Sound area, the Columbia River and Grays Harbor. The stated purpose of the Bill is to establish appropriate measures to reduce the risk of spills from vessels and ensure better public information regarding the transport of the oil.

Specific statutory requirements and standards for oil transport vessels under the Pilotage Act (Ch. 88.16) are amended and are transferred to the jurisdiction of the Department of Ecology to implement and enforce. Upon its adoption of rules, Ecology will enforce certain limitations and requirements on vessels transporting oil in the Puget Sound area. Additional requirements on the vessels are added to the State's oil spill prevention and response laws, Ch. 90.56 RCW, which Ecology currently enforces and administers.

Ecology is authorized under the Water Pollution Act, Ch. 90.48 RCW, to determine compensation levels resulting from vessel oil spills and to issue penalties for spills and violations of the specific statutory provisions of the Pilotage Act that Ecology will be responsible to enforce and administer. Ecology may issue a penalty for up to ten thousand dollars a day for each violation. These penalties are appealable to the Pollution Control Hearings Board (PCHB). The PCHB is a quasi-judicial agency located within the Environmental Hearings Office. The Board believes that there will be few appeals filed as a result of this legislation and is able to absorb these appeals within its current resources.

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

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: 2347 S HB	Title: Oil transportation safety	Agency: 477-Department of Fish and Wildlife
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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
Account					
Oil Spill Prevention Account-State 217-1	0	24,300	24,300	0	0
Total \$	0	24,300	24,300	0	0

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: Jacob Lipson	Phone: 360-786-7196	Date: 02/04/2014
Agency Preparation: Jhenifer Morfitt	Phone: (360) 902-2202	Date: 02/07/2014
Agency Approval: Catherine Suter	Phone: 360-902-2196	Date: 02/07/2014
OFM Review: Heather Matthews	Phone: (360) 902-0543	Date: 02/07/2014

Request # 14-FN041-2

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 4 requires Washington State University (WSU) to conduct a study in consultation with the Department of Ecology, the Military Department, and other state agencies regarding the state’s capacity to respond to and recover from accidents involving railcars transporting oil.

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.

The Department of Fish and Wildlife (WDFW) would be involved with conducting research and providing input, specifically for Section 4(2C) and 4(2D), to WSU and Ecology for this report as it relates to fish, wildlife, and habitat interests.

WDFW would have one-time expenditures for FY 2015 for participation in this study: 0.1 FTE Environmental Planner 5 and 0.1 FTE Fish and Wildlife Biologist 4. Salaries and benefits would total \$18,000.

Object E includes \$4,900 per FTE, per year, for WDFW standard costs, which cover an average employee’s supplies, communications, training, and subscription costs per year, as well as central agency costs. It also includes an infrastructure and program support rate of 28.06%.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years					
A-Salaries and Wages		13,300	13,300		
B-Employee Benefits		4,700	4,700		
E-Goods and Other Services		6,300	6,300		
Total:	\$0	\$24,300	\$24,300	\$0	\$0

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. All rulemaking would be done by Ecology.