

Multiple Agency Fiscal Note Summary

Bill Number: 5057 SB	Title: Hazardous material transport
-----------------------------	--

Estimated Cash Receipts

Agency Name	2015-17		2017-19		2019-21	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Revenue	0	1,683,000	0	2,800,000	0	3,560,000
Total \$	0	1,683,000	0	2,800,000	0	3,560,000

Local Gov. Courts *						
Loc School dist-SPI						
Local Gov. Other **		3,462,000		4,000,000		4,000,000
Local Gov. Total		3,462,000		4,000,000		4,000,000

Estimated Expenditures

Agency Name	2015-17			2017-19			2019-21		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Utilities and Transportation Commission	.6	0	111,672	.8	0	117,438	.8	0	117,438
Military Department	.2	0	38,860	.2	0	38,860	.2	0	38,860
Department of Ecology	8.6	0	5,546,395	5.8	0	5,361,768	5.8	0	5,286,768
Total	9.4	\$0	\$5,696,927	6.8	\$0	\$5,518,066	6.8	\$0	\$5,443,066

Local Gov. Courts *									
Loc School dist-SPI									
Local Gov. Other **			4,162,110			4,191,600			4,095,800
Local Gov. Total			4,162,110			4,191,600			4,095,800

Estimated Capital Budget Impact

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). A fiscal analysis was prepared to show the projected ten-year cost to tax or fee payers of the proposed taxes or fees. The ten-year projection can be viewed at

<http://www.ofm.wa.gov/tax/default.asp>

Prepared by: Linda Steinmann, OFM	Phone: 360-902-0573	Date Published: Final 1/23/2015
--	-------------------------------	---

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

** See local government fiscal note

ENPID: 38295

FNS029 Multi Agency rollout

Department of Revenue Fiscal Note

Bill Number: 5057 SB	Title: Hazardous material transport	Agency: 140-Department of Revenue
-----------------------------	--	--

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Account	FY 2016	FY 2017	2015-17	2017-19	2019-21
State Oil Spill Prevention Account-State 01 - Taxes 70 - Other Taxes	583,000	1,100,000	1,683,000	2,800,000	3,560,000
Total \$	583,000	1,100,000	1,683,000	2,800,000	3,560,000

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

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

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Jan Odano	Phone: (360) 786-7486	Date: 01/13/2015
Agency Preparation: Steve Smith	Phone: 360-534-1518	Date: 01/21/2015
Agency Approval: Don Gutmann	Phone: 360-534-1510	Date: 01/21/2015
OFM Review: Kathy Cody	Phone: (360) 902-9822	Date: 01/21/2015

Request # 5057-3-3

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.

Note: This fiscal note reflects a revision to the revenue impacts, and supersedes fiscal note number 5057-2.

OIL SPILL ADMINISTRATION TAX

The oil spill administration tax (OSA tax) is imposed on crude oil or petroleum products received at a marine terminal in Washington from vessels or barges. The tax only applies to the first receipt and not to subsequent receipts of the same oil or petroleum products. Credits may be taken for oil exported or sold for export, or for oil used in the manufacture of nonfuel products. The current tax rate is four cents per 42 gallon barrel. All OSA tax receipts are deposited into the oil spill prevention account.

OIL SPILL RESPONSE TAX

The oil spill response tax (OSR tax) is similar to the OSA tax and is imposed on the same activities; the tax rate is one cent per barrel. All OSR tax receipts are deposited into the oil spill response account. The OSR tax is imposed for an entire calendar quarter, unless the tax was imposed during the immediately preceding calendar quarter and the most recent quarterly balance is more than \$9 million, or the OSR tax was not imposed during the immediately preceding calendar quarter and the most recent quarterly balance is more than \$8 million.

THIS LEGISLATION extends the OSA and OSR taxes to oil and petroleum products transported by railroad in addition to such products transported by vessel. There are no changes to either the OSR or the OSA tax rates.

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 AND DATA SOURCES

The assumptions are from the Washington State Department of Ecology's Spills Response Program, which is charged with prevention, preparedness and response.

- under current law there would be 63.5 million taxed barrels received at marine terminals from vessels or barges in Fiscal Year 2016;
- this is expected to decline rapidly as shipments of Alaskan oil that come in by vessel are replaced by cheaper, untaxed crude oil that comes from Canada and the Bakken fields in North Dakota and Montana, and is transported by rail and/or pipeline;
- total taxed barrels would average 81 million a year if rail shipments were subject to the oil spill administration tax;
- compliance is not expected to be a problem since there are, and will be, a small number of large, well known taxpayers, and because the volume of shipments are currently tracked;
- this proposal is expected to result in six to twelve additional taxpayers;
- the extension of the OSR tax to oil and petroleum products transported by rail is not expected to increase balances in the oil spill response account because the account balance is currently above \$9 million and is expected to remain so through Fiscal Year 2021.

REVENUE ESTIMATES

OSA tax revenues are expected to increase by \$583,000 in Fiscal Year 2016 and to \$1.1 million in Fiscal Year 2017.

There is no impact to local taxing jurisdictions.

REVENUE ESTIMATES

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2016 -	\$ 583
FY 2017 -	\$ 1,100
FY 2018 -	\$ 1,300
FY 2019 -	\$ 1,500
FY 2020 -	\$ 1,780
FY 2021 -	\$ 1,780

Local Government, if applicable (cash basis, \$000): None.

II. C - Expenditures

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

ASSUMPTIONS:

This bill affects fewer than 20 taxpayers.

FIRST YEAR COSTS:

The Department of Revenue incurs total costs of \$6,300 in Fiscal Year 2015. These costs include:

- Labor Costs - Time and effort equates to 0.06 FTE.
- Amend two administrative rules.

ONGOING COSTS:

There are no ongoing costs as a result of this legislation.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

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.

Should this legislation become law, the Department of Revenue will use the expedited process to amend WAC 458-20-195, titled: "Taxes, deductibility" and WAC 458-20-260, titled: "Oil spill". Persons affected by this rule-making would include businesses receiving crude oil at a bulk oil terminal within this state from a tank car.

Individual State Agency Fiscal Note

Bill Number: 5057 SB	Title: Hazardous material transport	Agency: 215-Utilities and Transportation Comm
-----------------------------	--	--

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.5	0.8	0.6	0.8	0.8
Account					
Public Service Revolving Account-State 111-1	52,953	58,719	111,672	117,438	117,438
Total \$	52,953	58,719	111,672	117,438	117,438

Estimated Capital Budget Impact:

NONE

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

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Jan Odano	Phone: (360) 786-7486	Date: 01/13/2015
Agency Preparation: Melissa Hamilton	Phone: 360 664-1158	Date: 01/15/2015
Agency Approval: Sondra Walsh	Phone: 360-664-1286	Date: 01/15/2015
OFM Review: Cheri Keller	Phone: 360-902-0563	Date: 01/15/2015

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 7 of the legislation requires the UTC and ECY to hold a symposium on oil spill prevention and response on international transport of liquid bulk crude oil.

Section 11 of the legislation allows first-class cities to opt-in to the UTC crossing inspection safety program.

II. B - Cash receipts Impact

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

No Cash Receipts

II. C - Expenditures

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

Section 7, The Transportation & Safety Compliance Manager will devote approximately 200 hours to managing the UTC's preparation for and participation in the symposium, providing expert advice on state and federal regulations and rail safety, and coordinating with the Department of Ecology.

The Rail Carrier Compliance Specialist will devote approximately 50 hours to developing and providing data, providing expert information and advice regarding rail safety and regulations, and preparing for and participating in the symposium.

The Policy Advisor will devote approximately 500 hours advising on state and federal regulations and rail safety, consulting with stakeholders, preparing for and participating in the symposium, securing speakers and presenters, assisting with preparing presentations, staffing the symposium, and documenting, compiling and sharing information discussed at the symposium.

The Program Specialist 4 will devote approximately 200 hours to assisting in symposium planning and administration, and reviewing and editing draft materials.

The agency assumes the administrative costs of the symposium will be included in the Department of Ecology's fiscal note and budget.

Section 11 allows first-class cities to opt-in to the UTC's crossing inspection program, and is likely to result in 167 additional crossing inspections per year, requiring 75 percent of a state inspector FTE each year.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.5	0.8	0.6	0.8	0.8
A-Salaries and Wages	32,852	43,992	76,844	87,984	87,984
B-Employee Benefits	7,884	14,727	22,611	29,454	29,454
C-Professional Service Contracts					
E-Goods and Other Services	12,217		12,217		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$52,953	\$58,719	\$111,672	\$117,438	\$117,438

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 2016	FY 2017	2015-17	2017-19	2019-21
Compliance Mgr, Trans & Safety	74,365	0.1		0.1		
Policy Advisor	79,938	0.0		0.0		
Program Specialist 4	50,568	0.2		0.1		
Rail Carrier Compliance Spec.	58,656	0.1	0.8	0.4	0.8	0.8
Total FTE's	263,527	0.5	0.8	0.6	0.8	0.8

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

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

Section 11 requires the UTC to adopt regulations allowing first-class cities to opt-in to the crossing inspection program.

Individual State Agency Fiscal Note

Bill Number: 5057 SB	Title: Hazardous material transport	Agency: 245-Military Department
-----------------------------	--	--

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.2	0.2	0.2	0.2	0.2
Account					
Worker and Community Right-to-Know Account-State 163-1	19,430	19,430	38,860	38,860	38,860
Total \$	19,430	19,430	38,860	38,860	38,860

Estimated Capital Budget Impact:

NONE

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

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Jan Odano	Phone: (360) 786-7486	Date: 01/13/2015
Agency Preparation: John Ufford	Phone: (253) 512-7052	Date: 01/16/2015
Agency Approval: John Tuohy	Phone: 253-512-3356	Date: 01/16/2015
OFM Review: Regan Hesse	Phone: (360) 902-0650	Date: 01/16/2015

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 12 of the proposed legislation changes RCW 38.52.040 to require the State Emergency Response Commission to require Local Emergency Planning Committees to submit hazardous material plans on a five year cycle for compliance review by the Director. Section 13 of the proposed legislation changes RCW 38.52.070 to direct local comprehensive emergency management plans to include hazardous material plans that are updated on a five year cycle for compliance review by the Director.

Proposed legislation is estimated to double the number of compliance reviews currently performed on hazardous materials plans annually.

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.

Funds support the addition of .2 FTE work currently being performed by an EMPS 3 (Range 58) by the additional review requirements in the proposed legislation. The estimated expenditures are for 20% of the salary of the EMPS 3 and an estimation of benefit costs at 25% of the salary. Intra-agency cost is calculated on a Military Department standard rate of 16% of the total funding received. Goods, services and travel can be absorbed from current funding sources.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.2	0.2	0.2	0.2	0.2
A-Salaries and Wages	13,400	13,400	26,800	26,800	26,800
B-Employee Benefits	3,350	3,350	6,700	6,700	6,700
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	2,680	2,680	5,360	5,360	5,360
9-					
Total:	\$19,430	\$19,430	\$38,860	\$38,860	\$38,860

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 2016	FY 2017	2015-17	2017-19	2019-21
Planning/Infrastructure Program	67,000	0.2	0.2	0.2	0.2	0.2
Manager						
Total FTE's	67,000	0.2	0.2	0.2	0.2	0.2

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 5057 SB	Title: Hazardous material transport	Agency: 461-Department of Ecology
-----------------------------	--	--

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	9.1	8.1	8.6	5.8	5.8
Account					
State Toxics Cont-State 173-1	292,000	292,000	584,000	584,000	584,000
Local Toxics Cont-State 174-1	2,000,000	2,000,000	4,000,000	4,000,000	4,000,000
Oil Spill Prevent-State 217-1	573,170	389,225	962,395	777,768	702,768
Total \$	2,865,170	2,681,225	5,546,395	5,361,768	5,286,768

Estimated Capital Budget Impact:

NONE

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

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Jan Odano	Phone: (360) 786-7486	Date: 01/13/2015
Agency Preparation: Amanda Righi	Phone: 360-407-7040	Date: 01/22/2015
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 01/22/2015
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 01/22/2015

Part II: Narrative Explanation

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

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

Section 1 would require that Ecology provide to the legislature: 1) a review of all state and federal contingency plans by December 31, 2015, followed by annual updates each December from 2016 - 2021 on progress made in completing contingency plans that Ecology continues to work on under current law. 2) Ecology would be required to contract with third parties as practicable to ensure completion of 50% of the geographic response plans (GRPs) by December 1, 2017. Ecology assumes it would be necessary to continue working after that date to complete the remaining plans, then update those plans, as required under current law for existing contingency plans.

Section 2 would require Ecology to give grants to emergency response organizations for assistance with oil spill and hazardous materials response, and with firefighting equipment. Ecology would also provide training to these organizations and maintenance for their equipment caches.

Sections 3-6: Currently, under RCW 82.23B.010, the oil spill response and administration taxes apply to oil transferred from an oil tanker or oil barge to a shore-side facility. These taxes are assessed on first possession of crude oil and refined petroleum products transported into the state.

Sections 3, 4, 5, and 6 would expand the oil spill response and administration taxes to 'bulk oil terminals' that transfer crude oil to or from a rail tank car. Any crude oil received and taxed that is exported would receive a full tax credit. This would have no fiscal impact.

Section 7 would require that Ecology prepare for and hold a symposium with the Washington Utilities and Transportation Commission on emergency prevention and response activities for liquid bulk crude oil transported in Pacific Northwest. The symposium would include representatives from states, tribes, and neighboring countries and would address cooperative emergency prevention and response activities. It would also address expected risks of increased transport of Canadian crude, changes in methods for transporting liquid bulk crude oil and associated risks, identification of responsible agencies and corresponding activities to address risk, and consideration of new or emerging technologies. No date is specified in the bill to hold the symposium.

Sections 8, 9, and 10 would modify RCW 88.46.010, RCW 96.50.010 and RCW 80.40.011 to update the state's definition of 'oil' to ensure state oil pollution laws cover all oils handled in the state. This would have no fiscal impact.

Section 11 would allow first-class cities, which are currently exempt from the UTC's railroad safety jurisdiction, to opt in to the UTC's grade crossing inspection program. This would have no fiscal impact.

Sections 12-13: Chapter 38.52 RCW governs emergency management. RCW 38.52.040 currently requires Local Emergency Planning Committees (LEPC) to submit hazardous materials response plans to the State Emergency Response Commission every four years.

Sections 12 and 13 would require LEPCs to develop and submit plans for review when they were updated but not less than once every five years. This would have no fiscal impact.

Section 14 would appropriate \$10 million or up to an amount necessary to fund the grant program from the model toxics control account to Ecology to implement the emergency response grants program in Section 2. This section clarifies that the scope of this funding includes training.

II. B - Cash receipts Impact

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

Ecology would collect no cash receipts. Please refer to the Department of Revenue fiscal note.

II. C - Expenditures

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

Section 1(1): In order to provide to the legislature a review of all state and federal contingency plans, provide annual updates each December from 2016 - 2021 on progress made in completing contingency plans, Ecology estimates that the review and annual updates on contingency plans and GRPs would be completed with existing Ecology resources. Ecology prepares annual updates to the legislature on spill prevention and preparedness activities under current law. This would not increase that annual workload, so no existing activities would have to be displaced.

Section 1(2): In order to complete 50% of GRPs by December 1, 2017, Ecology estimates that contractor support at \$75,000 per year plus three full time Environmental Planner 3's would be required, beginning in July 1, 2015. Ecology assumes it would continue contracting and working at that pace, to complete the remaining GRPs, then begin updating them. Ecology received one-time funding in the 2014 Supplemental Budget for three Environmental Planner 3's (3.0 FTE) to get started on the GRPs, plus \$75,000 for a contractor to do the estimated 5,000 site visits to complete GRPs faster. (Please note, the Governor's 2015-17 Biennium Budget includes a request to continue these three positions to work on GRPs, using similar workload estimates, on an ongoing basis. The budget item is titled "Reduce Oil Spill Risk-Rail/Vessel.").

Section 1 summary:

FY 2016 - FY 2020: \$75,000/year contracts

FY 2016 and ongoing: 3.0 FTEs Environmental Planner 3

Section 2 would require Ecology to give grants to emergency response organizations for assistance with oil spill and hazardous materials response, and firefighting equipment and training to meeting the requirements of the legislation.

The Governor's 2015-17 Biennium Budget includes a request for the "Oil Spill Response Equipment Grants" program, therefore, Ecology's expenditures assumptions for the emergency response grants program in section 2 are similar to this request.

Ecology assumes that disbursement of funds under the grant program would begin July 1, 2015, and be ongoing. Ecology estimates that \$1,731,000 in equipment grants would be disbursed each year for the first two years and \$2,000,000 in grants would be disbursed each year after that to various locations throughout Washington State for oil spill response equipment. Ecology assumes that ongoing training would be required after the grant funds were disbursed. Based on experience with the Spill Response Equipment Cache program, Ecology estimates two Environmental Specialist 3's (2 FTEs) ongoing beginning July 1, 2015, to set up the grant program, distribute the

grants, and provide ongoing training and maintenance support for the local emergency response organizations. Ecology estimates that \$35,000 a year would be required for maintenance of oil spill cache trailers and \$75,000 a year for vehicles to deliver equipment trailers and supporting equipment. These vehicles would also have response capabilities to supplement the existing hazardous materials spill response capability around the state.

Ecology estimates it would take two Environmental Planner 4's (2 FTE) from July 1, 2015 - June 30, 2017 to complete rule making for the grant program. Based on consultation with the Attorney General's Office, Ecology estimates 0.2 FTE Assistant Attorney General support from July 1, 2015 - June 30, 2017 for rule development and grant contract legal review.

Section 2 summary: FY 2016 and on-going: \$110,000/year maintenance and training goods and services; FY 2016 and FY 2017: 2.0 FTEs Environmental Planner 4 and 2.0 Environmental Specialist 3's; FY 2018 and on-going: 2.0 Environmental Specialist 3's.

Section 7 would require that Ecology prepare for and hold a symposium with the Washington Utilities and Transportation Commission on emergency prevention and response activities for liquid bulk crude oil transported in Pacific Northwest.

Based on conversations with WUTC, Ecology assumes that Ecology and WUTC would share the responsibility for planning and conducting the symposium and Ecology would pay the non-labor costs for the symposium. We assume the symposium would be held in May 2016. Ecology estimates it would take one full time Environmental Specialist 3 from July 1, 2015 - May 31, 2016 (0.92 FTE) to organize and plan the symposium. Based on a similar symposium held by our counterparts in British Columbia, Ecology estimates the non-labor costs, including facilitator, conference space, light refreshments, and other support would be \$100,000.

Section 7 summary: FY 2016: \$100,000 contract; 0.92 FTE Environmental Specialist 3.

Section 14 would appropriate \$10 million or as necessary to fund the grant program from the model toxics control account to Ecology to implement the emergency response grants and training program in Section 2. Ecology assumes this appropriation would come from the Local Toxics Control Account for grants and the State Toxics Control Account for Ecology's costs.

Notes on costs by fund sources:

Staff-related expenditures for GRPs and symposium work are assumed to be made from the Oil Spill Prevention Account, which is the usual fund source for Spill Preparedness, Prevention and Response Program staff. Please see the simplified Fund Balance Summary for the next three biennia in the table below.

Oil Spill Prevention Account Fund Balance Summary

	2015-17	2017-19	2019-21
(1) Beginning Balance	1,379,062	96,667	(884,101)
(2) Current Revenue Forecast	4,680,000	3,680,000	2,920,000
SB 5057 Revenue Changes	1,683,000	2,800,000	3,560,000
(3) Proposed Expenditures	7,645,395	7,460,768	7,385,768
Estimated Ending Balance	\$96,667	\$(884,101)	\$(1,789,869)

Notes:

- (1) Working Capital Reserve (\$2 Million) has been subtracted from 2015-17 beginning balance.
- (2) Reflects Department of Revenue forecast November 2014.
- (3) Includes Carry Forward Level = Ecology \$5.755 Million, Department of Fish and Wildlife \$928,000 and Senate Bill 5057 costs. Does not include 2015-17 Maintenance Level and Policy Level changes in the budget.

Notes on costs by object:

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

Benefits are the 2014 agency average of 33.0% of salaries.

Section 7 would require a \$100,000 contract for the symposium to cover non-labor costs, including facilitator, conference space, light refreshments, and other support.

Goods and Services are the 2014 agency average of \$5,709 per direct program FTE.

Section 2 would require 0.2 FTE Assistant Attorney General support in FY 16 (\$40,581) and FY 17 (\$40,581). Section 2 would require \$110,000 per year for to maintain existing oil spill caches and for a response vehicle to deliver equipment trailers and supporting equipment.

Travel is the 2014 agency average of \$1,394 per direct program FTE.

Equipment is the 2014 agency average of \$1,131 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 32.75% 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 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	9.1	8.1	8.6	5.8	5.8
A-Salaries and Wages	421,039	377,784	798,823	515,088	515,088
B-Employee Benefits	138,943	124,669	263,612	169,980	169,980
C-Personal Service Contracts	175,000	75,000	250,000	150,000	75,000
E-Goods and Services	195,796	190,544	386,340	277,090	277,090
G-Travel	11,040	9,758	20,798	13,940	13,940
J-Capital Outlays	8,958	7,917	16,875	11,310	11,310
N-Grants, Benefits and Client Services	1,731,000	1,731,000	3,462,000	4,000,000	4,000,000
P-Debt Service					
S-Interagency Reimbursements					
9-Agency Administrative Overhead	183,394	164,553	347,947	224,360	224,360
Total:	\$2,865,170	\$2,681,225	\$5,546,395	\$5,361,768	\$5,286,768

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 2016	FY 2017	2015-17	2017-19	2019-21
ENVIRONMENTAL PLANNER 3	54,504	3.0	3.0	3.0	3.0	3.0
ENVIRONMENTAL PLANNER 4	60,120	2.0	2.0	2.0		
ENVIRONMENTAL SPECIALIST	47,016	2.9	2.0	2.5	2.0	2.0
3						
FISCAL ANALYST 2		0.8	0.7	0.8	0.5	0.5
IT SPECIALIST 2		0.4	0.4	0.4	0.3	0.3
Total FTE's	161,640	9.1	8.1	8.6	5.8	5.8

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

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

Section 2 would require rule making to set up the emergency spill response cache grant program.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5057 SB	Title: Hazardous material transport
-----------------------------	--

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

Legislation Impacts:

☒ Cities: City, county and special district emergency responders could receive grants to assist with oil spill planning, training and equipment. Some jurisdictions would incur costs of staff time to participate in related studies and events. First-class cities would have minor costs associated with railroad crossing requirements.

☒ Counties: Same as above

☒ Special Districts: Same as above

☐ Specific jurisdictions only:

☐ Variance occurs due to:

Part II: Estimates

☐ No fiscal impacts.

☒ Expenditures represent one-time costs: First-class cities must provide crossing information to UTC; attendance at symposium for some cities, counties, and special districts.

☒ Legislation provides local option: Participating in studies and events; applying for grants; first-class cities may transfer crossing inspection/enforcement to UTC

☒ Key variables cannot be estimated with certainty at this time: Expenditure impacts would vary by jurisdictions and depend upon the extent of planning, outreach, education, and involvement

Estimated revenue impacts to:

Jurisdiction	FY 2016	FY 2017	2015-17	2017-19	2019-21
City	298,100	298,100	596,200	666,000	666,000
County	1,134,800	1,134,800	2,269,600	2,668,000	2,668,000
Special District	298,100	298,100	596,200	666,000	666,000
TOTAL \$	1,731,000	1,731,000	3,462,000	4,000,000	4,000,000
GRAND TOTAL \$	11,462,000				

Estimated expenditure impacts to:

Jurisdiction	FY 2016	FY 2017	2015-17	2017-19	2019-21
City	1,537,676	1,198,666	2,736,342	2,795,732	2,731,866
County	398,817	314,067	712,884	697,934	681,967
Special District	398,817	314,067	712,884	697,934	681,967
TOTAL \$	2,335,310	1,826,800	4,162,110	4,191,600	4,095,800
GRAND TOTAL \$	12,449,510				

Part III: Preparation and Approval

Fiscal Note Analyst: Allan Johnson	Phone: 360-725-5033	Date: 01/23/2015
Leg. Committee Contact: Jan Odano	Phone: (360) 786-7486	Date: 01/13/2015
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 01/23/2015
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 01/23/2015

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

Ecology would develop a grant program to assist emergency first responders with resources and equipment needed to respond to oil spills. This grant program would be developed in consultation with a range of experts including local emergency first responders. It will identify and prioritize areas determined to have the greatest need for assistance. Ecology would also conduct a symposium on emergency spill prevention and response.

The legislation would allow first-class cities to participate in the Utility and Transportation Commission's crossing safety inspection program. In addition, first-class cities would be required to provide a list of all existing public crossing to the UTC and notify them within 30 days of modifying, closing or opening grade crossings.

Local Emergency Planning Committees (LEPCs) would be required to update their hazardous materials plans of for review by the Emergency Planning Council at least once every five years. The definition of oil or oils would be amended. The bill would also extend the oil spill response tax and oil spill administration tax to oil received by a bulk oil terminal by rail.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

This legislation would result in a variety of expenditures some of which can be estimated and other which are indeterminate. Some of these expenditures, such as costs associated with the symposia, will be incurred during the first year after adoption of this legislation. Costs associated with updating emergency response grants and distributing grants will diminish somewhat in later years.

One of the primary fiscal impacts of this legislation on local governments would be associated with updates to the hazardous management plans of 41 out of 42 Local Emergency Planning Committees. These fiscal impacts are estimated at \$479,000 over a five-year period.

In addition, attendance by local officials at a Department of Ecology symposium is estimated at \$508,510 during FY 2016.

Expenditures associated with grant revenue are expected to occur in the same year in which grants are received.

There would also be costs incurred by cities, counties or special districts that assist the Department of Ecology in efforts to review existing plans, equipment and needs. Local jurisdictions will incur expenses assisting the Ecology in reviewing and allocating grants. These costs are indeterminate.

There also would be minor costs incurred by 10 first-class cities required to submit information to the Utilities and Transportation Commission (UTC) on railroad grade crossings. These cities may also see some reduction in expenditures if they elect to transfer their inspection and enforcement efforts at rail crossings to the UTC as authorized by this bill. These costs are indeterminate.

EMERGENCY MANAGEMENT PLANNING:

Emergency management planning expenditures by local jurisdictions are likely to increase upon adoption of this legislation. Currently, only one of 42 Local Emergency Planning Committees has met minimum federal standards. This legislation will require LEPCs to submit their current plans for compliance review and update and submit them for review at least once every five years. These requirements will likely instigate those LEPCs that have not yet complied with these requirements to undertake an update that will meet the federal standard. Cumulative local costs associated with the update of local hazardous material plans are anticipated to be \$479,700 statewide, as described in the paragraph below. For the purposes of this analysis, these costs are evenly distributed between FY 2016 and FY 2020. These costs are allocated amongst cities, counties and special districts in a manner similar to the assumptions for grant awards and expenditures with 2/3 experienced by cities and the remaining 1/3 split evenly between counties and special districts.

In updating local emergency response plans, LEPC coordinators anticipate cost increases associated with conducting and staffing meetings and engaging in outreach to public works departments, fire districts, police forces and other similar agencies. For illustrative purposes, several LEPC coordinators estimated a minimum of eight local stakeholders would attend 10 meetings for a period of three hours per meeting. Based upon an average professional pay rate of \$30/hour and 41 LEPC updates, these cumulative local costs are estimated at \$295,200. In addition LEPC coordinators would have increased workload estimated at a minimum of 15 hours per month for at least 10 months. At an average pay rate of \$30/hour, this could increase local expenditures by \$184,500. These cumulative costs would total \$479,700 or \$11,700 per LEPC. This is similar to costs experienced by one LEPC, which contracted an outside provider to update their emergency response plan.

REGIONAL SYMPOSIUM:

Local governments would participate in the symposium on oil spill prevention and response activities that will be organized by the Department of Ecology. It is difficult to assess the time, travel and registration costs that will be incurred by local government staff without having a precise understanding of the scope of this event. However, recent regional conferences have drawn 800 to 1,200 participants. Registration charges have ranged from \$375 to \$700. Lodging per diem rates from the Office of Financial Management currently range from \$83/day to \$190/day and meal rates range from \$46/day to \$71/day. Typical conferences last from two to four days. Mileage reimbursement rates are currently set at \$0.575/mile.

For the purposes of analysis it is estimated that 20 percent of the 804 cities, counties and special districts involved in emergency response will send one person to the Department of Ecology Symposium. In addition, it is estimated that 20 percent of these cities will send an average of two persons to the conference. Based upon 482 local officials attend a symposium for three days with a registration cost of \$550 and per diem rates of \$135 for two nights of lodging and \$60 for two days of meals and an average travel distance of 100 miles, then total local costs would be \$508,510. These costs are allocated amongst cities, counties and special districts in a manner similar to the assumptions for grant awards and expenditures. This cost is expected to be a one time occurrence during FY 2016.

GRANT ASSOCIATED EXPENDITURES:

Jurisdictions receiving grants would have expenditures of the same magnitude to implement projects, purchase equipment, etc. For the purpose of this local government fiscal note, it is assumed that such expenditures would occur in the same year that funds were awarded. Some jurisdictions will expend money in unsuccessful pursuit of grants. However, the magnitude of these costs cannot be estimated. Finally, jurisdictions may incur indeterminate ongoing training costs for equipment procured through grants.

In support of the grant program, local first responders would work with the Department of Ecology on a variety of tasks including: reviewing local emergency plans, evaluating existing hazardous material response and firefighting equipment and resources, determining the need for new resources or equipment, identifying areas or regions with are in the greatest need of resources and equipment, and reviewing and prioritizing grant applications. This effort would require the expenditure of staff time and travel. However, the magnitude of this effort cannot be estimated and is indeterminate. Once the review of resources and establishment of the grant program is completed, ongoing costs are anticipated to decrease significantly.

RAILROAD CROSSING INVENTORY, INSPECTION AND ENFORCEMENT:

Section 11 of the bill would allow the 10 first-class cities to opt into UTC grade crossing inspection and enforcement program. UTC estimates this would apply to a maximum of 167 additional grade crossings. Jurisdictions transferring crossing inspection and enforcement to the UTC would likely see a reduction in expenditures. The magnitude of this reduction will depend upon which cities transfer these obligations to the UTC.

This bill would require all first-class cities to submit a list to the UTC of public railroad crossings that includes the United States Department of Transportation inventory number for the crossing. Within 30 days of modifying, closing, or opening a grade crossing, a first-class city must notify the UTC of the action. This would be a one time endeavor and the amount of expenditures to comply with these requirements would be negligible as this information is already compiled in the United States Department of Transportation Crossing Inventory and by most first-class cities that control crossings.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

the Department of Ecology would provide grants for resources and equipment to first responders such as fire, police and public works departments or districts. There would be \$1,731,000 in grants provided during FY 2016 and a similar amount would be distributed in FY 2017. Between FY 2018 and FY 2021, grants will total \$2,000,000 per year.

For the purposes of this analysis, 2/3 of this grant money is anticipated to go to cities which provide a broad range of emergency services for 65 percent of the state's population. Emergency services in unincorporated areas and in special districts, such as ports, are provided through county government as well as entities such as Emergency Medical Service Districts, Regional Fire Protection Districts and Fire Protection Districts. For the purposes of this analysis, the remaining 1/3 of total grant money is assumed to be split evenly between county and special districts.

SOURCES:

American Planning Association - Washington Chapter website, <http://www.washington-apa.org/>, Jan. 2015

Association of Washington Cities website, <https://www.awcnet.org/TrainingEducation/Conferences/AnnualConference.aspx>, Jan. 2015

Benton County LEPC, Email from Deanna Davis of 12/15/2014

Chelan-Douglas County LEPC, Email from Kent Sisson of 12/15/2014
Chelan-Douglas County LEPC, Email from Mike Dingle of 12/15/2014
Clark County LEPC, Email from Cindy Stanley on 12/17/2014
Cowlitz County LEPC, Email from Ernie Schnabler of 12/15/2014
Department of Ecology website, Oil Movement Frequently Asked Questions,
<http://www.ecy.wa.gov/programs/spills/OilMovement/FAQs.html>
Dept. of Ecology Spills Program, Conversation with Scott Ferguson on 12 /15/2014
Mason County LEPC, Conversation with Tammy Wright on 12/15/2014
Municipal Research Services Center: Special Purpose Districts in Washington State,
<http://www.mrsc.org/subjects/governance/spd/spdmain.aspx>
Office of Financial Management, Per Diem Map, <http://www.ofm.wa.gov/resources/travel/colormap1214.pdf>, Jan. 2015
Office of Financial Management, Annual Population Estimates, <http://www.ofm.wa.gov/pop/april1/>
Pacific County LEPC, Email from Stephanie Fritts on 13/18/14
Western Washington University Salish Sea Conference website, <http://www.wvu.edu/salishseaconference>, Jan. 2015
“Understanding Conference Pricing,” Institute of Electrical and Electronics Engineers, Inc., Nov. 2007
US Department of Transportation National Grade Crossing Inventory, <http://www.fra.dot.gov/Page/P0665>
Utilities and Transportation Commission Draft Fiscal Analysis of Oil Transportation Safety Bill
Utilities and Transportation Commission, Conversation with Jason Lewis, 12 /8/14
WAC 363-116-185