

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1449 E S HB AMS ENGR S3087.E	<b>Title:</b> Oil transportation safety
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## Estimated Cash Receipts

Agency Name	2015-17		2017-19		2019-21	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of Attorney General	0	81,162	0	0	0	0
Department of Revenue	0	1,683,000	0	2,800,000	0	3,560,000
Utilities and Transportation Commission	0	2,500,000	0	2,500,000	0	2,500,000
<b>Total \$</b>	<b>0</b>	<b>4,264,162</b>	<b>0</b>	<b>5,300,000</b>	<b>0</b>	<b>6,060,000</b>

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
Office of Attorney General	.3	0	81,162	.0	0	0	.0	0	0
Department of Revenue	.0	2,900	2,900	.0	0	0	.0	0	0
Board of Pilotage Commissioners	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Utilities and Transportation Commission	8.7	0	2,849,388	8.0	0	2,456,372	8.0	0	2,456,372
Military Department	.2	0	38,860	.2	0	38,860	.2	0	38,860
Department of Ecology	7.5	0	5,648,402	2.8	0	4,792,894	2.7	0	4,749,596
Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
Department of Fish and Wildlife	.3	0	71,200	.3	0	71,200	.3	0	71,200
<b>Total</b>	<b>17.0</b>	<b>\$2,900</b>	<b>\$8,691,912</b>	<b>11.3</b>	<b>\$0</b>	<b>\$7,359,326</b>	<b>11.2</b>	<b>\$0</b>	<b>\$7,316,028</b>

Local Gov. Courts *									
Loc School dist-SPI									
Local Gov. Other **			3,653,602			4,191,602			4,095,801
Local Gov. Total			3,653,602			4,191,602			4,095,801

## Estimated Capital Budget Impact

NONE

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

\*\* See local government fiscal note

ENPID: 42200

FNS029 Multi Agency rollout

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 5/ 1/2015

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

\*\* See local government fiscal note

ENPID: 42200

FNS029 Multi Agency rollup

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1449 E S HB AMS ENGR S3087.E	<b>Title:</b> Oil transportation safety	<b>Agency:</b> 100-Office of Attorney General
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2016	FY 2017	2015-17	2017-19	2019-21
Legal Services Revolving Account-State 405-1	40,581	40,581	81,162		
<b>Total \$</b>	40,581	40,581	81,162		

### Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.3	0.3	0.3	0.0	0.0
<b>Account</b>					
Legal Services Revolving Account-State 405-1	40,581	40,581	81,162	0	0
<b>Total \$</b>	40,581	40,581	81,162	0	0

### 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:	Phone:	Date: 04/16/2015
Agency Preparation: Michael Shinn	Phone: 360-759-2100	Date: 04/21/2015
Agency Approval: Nick Klucarich	Phone: 360-586-3434	Date: 04/21/2015
OFM Review: Regan Hesse	Phone: (360) 902-0650	Date: 04/23/2015

## 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 is a new section requiring the Department of Ecology (ECY) to provide grants to emergency responders for oil spill and hazardous materials response, subject to amounts appropriated for that purpose. Conditions to be considered for prioritizing grant receipt are specified, and center on evaluation of equipment and resources and risk of spills in the area.

Sections 2-5 amend RCW 82.23B.010, .020, .030, and .040 to add oil transportation by rail car to taxed activities and to add bulk oil terminals to definition of covered marine terminals.

Section 6 adds a new section to Chapter 90.56 RCW requiring seven day advance notices to ECY when a facility will receive oil from a railroad car. That information may be shared with the Emergency Management Division (EMD) and local government entities. ECY must publish collected information quarterly on the internet. Only aggregated information collected by ECY is subject to disclosure under Chapter 42.56 RCW. ECY is required to adopt implementing rules.

Section 7 -9 amend RCW 88.40.011, RCW 88.46.010, and RCW 90.56.010 as to the definition of oil only. Section 7 includes new definitions of owners and operators of facilities. Section 9 makes minor adjustments to the definition of navigable waters.

Section 10 adds a new section to Chapter 88.16 RCW, allowing the Board of Pilotage Commissioners (BPC) to adopt rules regarding tug escort requirements for oil tankers and barges. Pilotage for enrolled tankers is excluded. New language specifies that the section does not permit rules regarding pilotage.

Section 11 adds a new section to Chapter 81.04 requiring the Utilities and Transportation Commission (UTC) to require railroad companies transporting crude oil in Washington to submit information regarding the company's ability to pay for damages due to spills.

Section 12 amends RCW 81.53.240 to require first class cities to provide the UTC a list of all public railroad crossings. Cities may opt in to the UTC's crossing safety inspection program.

Section 13 amends RCW 38.52.040 to require the State Emergency Management Council (EMC) to require local emergency planning organizations to submit hazardous material plans.

Section 14 amends RCW 38.52.070 to require local emergency management plans to include hazardous material plans.

Section 15 amends RCW 81.53.010 to modify definitions and make them applicable throughout Chapter 81.53 RCW. A definition of private crossing is added.

Section 16 adds a new section to Chapter 81.53 RCW allowing the UTC to adopt rules specifying inspection of private crossings that oil is transported over by rail.

Section 17 adds a new section and requires ECY to complete an evaluation of vessel traffic management and

safety near the mouth of the Columbia River. This provision differs substantially from the last bill.

Section 18 adds a new section to RCW 81.44 allowing UTC employees to perform hazardous material inspections of facilities where hazardous materials are transported by rail. Certain railroads not hauling crude oil are assessed a different fee.

Section 19 amends RCW 81.24.010 to set fees for companies, and specifying different fees for railroad companies for the purpose of administering UTC's rail safety program. The requirement for UTC rulemaking from the prior bill version is not included.

Section 20 amends RCW 42.56.270 to exempt from public disclosure unaggregated information submitted to ECY pursuant to Section 6.

Section 21 is a new section requiring the senate energy, environment and telecommunications committee and the house environment committee to hold at least one meeting on oil spill prevention and response activities.

Section 22 is a severance clause.

In order to provide legal services for ECY, the Attorney General's Office (AGO) estimates a workload impact of 0.2 Assistant Attorney General (AAG) and 0.1 Legal Assistant (LA) at a cost of \$40,581 in Fiscal Year (FY) 2016 and FY2017.

This bill is assumed effective 90 days after the end of the 2015 legislative session.

## **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.*

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 ECY. The AGO will bill ECY 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.*

In order to provide legal services for ECY, the AGO estimates a workload impact of 0.2 AAG and 0.1 LA at a cost of \$40,581 in FY2016 and FY2017.

AGO Agency Assumptions:

1. Legal services associated with the enactment of this bill are assumed to begin on July 1, 2015.

2. We assume this bill will not increase legal services to UTC. Unexpected increases will be nominal and provided with exiting resources.

Assumptions for the AGO Ecology Division's Legal Services for ECY:

1. We assume we will bill ECY for legal services based on the enactment of this bill.
2. We assume legal services for advice to ECY in rule-making required by Section 1. This is based on the time required for other rules of a similar level of breadth and complexity.
3. We assume legal services will not be required in FY2018 and thereafter. Any unanticipated legal services will be provided with existing resources.

### Part III: Expenditure Detail

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

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.3	0.3	0.3		
A-Salaries and Wages	22,141	22,141	44,282		
B-Employee Benefits	6,891	6,891	13,782		
C-Professional Service Contracts					
E-Goods and Other Services	9,749	10,649	20,398		
G-Travel	300	300	600		
J-Capital Outlays	1,500	600	2,100		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total:</b>	\$40,581	\$40,581	\$81,162	\$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 2016	FY 2017	2015-17	2017-19	2019-21
Assistant Attorney General	90,972	0.2	0.2	0.2		
Legal Assistant II	42,588	0.1	0.1	0.1		
<b>Total FTE's</b>	133,560	0.3	0.3	0.3		0.0

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

Program	FY 2016	FY 2017	2015-17	2017-19	2019-21
Ecology Division (ECY)	40,581	40,581	81,162		
<b>Total \$</b>	40,581	40,581	81,162		

### Part IV: Capital Budget Impact

NONE

### Part V: New Rule Making Required

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

None.

# Department of Revenue Fiscal Note

<b>Bill Number:</b> 1449 E S HB AMS ENGR S3087.E	<b>Title:</b> Oil transportation safety	<b>Agency:</b> 140-Department of Revenue
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## 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
<b>Total \$</b>	583,000	1,100,000	1,683,000	2,800,000	3,560,000

### Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.1		0.0		
<b>Account</b>					
GF-STATE-State 001-1	2,900		2,900		
<b>Total \$</b>	2,900		2,900		

### 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:	Phone:	Date: 04/16/2015
Agency Preparation: Steve Smith	Phone: 360-534-1518	Date: 04/20/2015
Agency Approval: Don Gutmann	Phone: 360-534-1510	Date: 04/20/2015
OFM Review: Kathy Cody	Phone: (360) 902-9822	Date: 04/20/2015

Request # 1449-8-1

## Part II: Narrative Explanation

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

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

Note: This fiscal note reflects Senate amendment S3087.E to ESHB 1449, 2015 Legislative Session.

#### 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 crude oil 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

- 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 crude oil 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.
- this bill is assumed to be effective ninety days after the end of the session, on July 25, 2015, resulting in 10 months collections in the first fiscal year.

#### REVENUE ESTIMATES

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

There is no impact to local taxing jurisdictions.

#### 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): No impact

## 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

28 taxpayers will be affected by this legislation

### FIRST YEAR COSTS

The Department of Revenue (Department) will incur total costs of \$2,900 in Fiscal Year 2016. These costs include:

Labor Costs – Time and effort equates to 0.07 FTEs.  
- Amend one administrative rule.

### ONGOING COSTS

There are no ongoing costs.

## Part III: Expenditure Detail

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

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.1		0.0		
A-Salaries and Wages	1,900		1,900		
B-Employee Benefits	600		600		
E-Goods and Other Services	200		200		
J-Capital Outlays	200		200		
<b>Total \$</b>	<b>\$2,900</b>		<b>\$2,900</b>		

**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
ADM ASST 5	47,014	0.0		0.0		
EMS BAND 4	103,896	0.0		0.0		
HEARINGS SCHEDULER	32,688	0.0		0.0		
TAX POLICY SP 2	61,628	0.0		0.0		
TAX POLICY SP 3	69,756	0.0		0.0		
TAX POLICY SP 4	75,080	0.0		0.0		
<b>Total FTE's</b>	<b>390,062</b>	<b>0.1</b>		<b>0.1</b>		

## Part IV: Capital Budget Impact

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

NONE

Request # 1449-8-1

None.

## **Part V: New Rule Making Required**

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

Should this legislation become law, the Department will use the expedited rule-making process to amend WAC 458-20-260, titled: "Oil spill response and administration tax." Persons affected by this rule making would include persons receiving crude oil or petroleum products at a marine terminal or bulk oil terminal in this state from a vessel, barge, or tank car.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1449 E S HB AMS ENGR S3087.E	<b>Title:</b> Oil transportation safety	<b>Agency:</b> 205-Board of Pilotage Commissioners
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

### 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.*

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

Legislative Contact:	Phone:	Date: 04/16/2015
Agency Preparation: Chad Johnson	Phone: (360) 407-8130	Date: 04/20/2015
Agency Approval: Chad Johnson	Phone: (360) 407-8130	Date: 04/20/2015
OFM Review: Erik Hansen	Phone: 360-902-0423	Date: 04/20/2015

## 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 10 (1) requires all oil tankers above a certain size, all articulated tug barges and other towed waterborne vessels or barges transiting the waters of Grays Harbor to employ state-licensed pilots, tug escorts, and other safety measures. This measure will require rule-making modifications to include articulated tug barges and other towed waterborne vessels or barges operating on the waters of Grays Harbor.

Section 10 (2) requires the Pilotage Commission to consult with the Department of Ecology to analyze the results of vessel traffic risk assessments and proceed with rule-making which must be designed to achieve best achievable protection. Prior to proceeding with rule-making the Commission shall consult with the United States Coast Guard, Grays Harbor Safety Committee, area tribes, Public Ports, local governments, and other appropriate entities.

Section 10 - removed all waters except grays harbor, and removed Oregon consultation.

### 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.*

To initiate and manage the rule-making process for requirements in section 10, the Pilotage Commission estimates it will take one full-time Environmental Planner 4 from July 1, 2016 to June 30, 2017 (1 FTE for the year). Based on consultation with the Attorney General's Office, the Pilotage Commission estimates that AAG support would be provided within existing resources for this rule-making process. Based on previous rule-making processes the Pilotage Commission has conducted, these sections would also require a \$150,000 contract for services from July 1, 2015 to June 30, 2017 to perform cost benefit analyses. This bill allows for future rulemaking elsewhere in the state if additional oil handling facilities are permitted or approved by EFSEC, although the costs can be quantified, it is unclear if or when the rulemaking would occur, therefore, the costs in 2015-17 and beyond are indeterminate.

No changes to agencies sections.

## 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.*

Chapter 88.16 RCW is the Pilotage 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; and 3) exempts oil tankers less than 40,000 deadweight tons from the requirements of RCW 88.16.170-190.

Section 16 and 17 would reinforce existing tug escort requirements for oil tankers larger than 40,000 deadweight tons traveling through Puget Sound and add pilotage requirements for articulated tug barges and other towed waterborne vessels or barges. Section 17 would give the Pilotage commission the authority to adopt rules for Grays Harbor and the Columbia River and to ensure that escort tugs have sufficient capacity for safe escort.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1449 E S HB AMS ENGR S3087.E	<b>Title:</b> Oil transportation safety	<b>Agency:</b> 215-Utilities and Transportation Comm
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2016	FY 2017	2015-17	2017-19	2019-21
Public Service Revolving Account-State 111-1	1,250,000	1,250,000	2,500,000	2,500,000	2,500,000
<b>Total \$</b>	1,250,000	1,250,000	2,500,000	2,500,000	2,500,000

### Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	9.3	8.0	8.7	8.0	8.0
<b>Account</b>					
Public Service Revolving Account-State 111-1	1,621,202	1,228,186	2,849,388	2,456,372	2,456,372
<b>Total \$</b>	1,621,202	1,228,186	2,849,388	2,456,372	2,456,372

### 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.*

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

Legislative Contact:	Phone:	Date: 04/16/2015
Agency Preparation: Kim Anderson	Phone: 360-664-1153	Date: 04/16/2015
Agency Approval: Sondra Walsh	Phone: 360-664-1286	Date: 04/16/2015
OFM Review: Cheri Keller	Phone: 360-902-0563	Date: 04/16/2015

## 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 11 – Requires the commission to collect financial information, relating to a railroad company’s ability to pay damages in the event of a spill or accident, hauling crude oil in Washington. Section 11 will require a complex rulemaking including travel to three workshops outside of Olympia and one workshop in Olympia. Security may need to be provided for the workshops given the high degree of interest from the public (participants assumed to be in excess of 200 per workshop). A consultant will be needed to assess adequate parameters to address the company’s ability to pay when a spill or accident occurs.

Section 12 of the legislation allows first-class cities to opt into the commission’s crossing inspection safety program. This will result in additional grade crossing inspections each year, increasing the agency’s grade crossing inspection workload. This work will require a partial state inspector estimated to be 0.8 of an FTE.

Section 16 of the legislation will require a simple rulemaking requiring the commission to adopt rules governing private grade crossings along the railroad routes over which crude oil is transported and give the commission inspection authority. There will be approximately 350 additional inspections requiring an increase in the state inspection workload. This additional work will require additional staff at 1.2 FTE’s.

Section 18 allows the commission employee certified by the federal railroad administration to perform hazardous materials inspection to enter private shippers’ property, for the purposes of rail car inspection, without an FRA escort. No fiscal impact to the commission as these inspections are currently being conducted.

Section 19 allows the commission to assess a regulatory fee on railroads operating in the state of 2.5% of gross intrastate operating revenue. Class 3 railroads that do not move crude oil will be exempt from the fee increase and remain at 1.5%. The increase in the regulatory fee will fund the hiring and maintaining of 8 additional railroad inspectors (5 federally certified and 3 state).

### 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.*

Section 19 allows the commission to assess a regulatory fee on railroads operating in the state of 2.5% of gross intrastate operating revenue. Class 3 railroads that do not move crude oil will be exempt from the fee increase and remain at 1.5%. The increase in the regulatory fee will fund the hiring and maintaining of 8 additional railroad inspectors (5 federally certified and 3 state).

### 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 11 – Requires the commission to collect financial information, relating to a railroads ability to pay damages in the event of a spill or accident, from railroads that haul crude oil in Washington. Section 11 will require a complex rulemaking, travel to three workshops outside of Olympia and one workshop in Olympia. Security may need to be provided for the workshops given the high degree of interest from the public (participants assumed to be in excess of 200 per workshop). A consultant will be needed to assess adequate

parameters to address the ability to pay for a spill or accident criteria.

The public response to the agency rulemaking on section 19 will probably be similar to the response to the Oil Transportation Study delivered to the legislature in March 2015. The public meetings for the study were attended by approximately 500-800 public participants. Financial ability to pay for a spill or accident is one of the most discussed issues with the public and it is anticipated the commission will receive numerous comments and questions surrounding the provision. The consultant need to assess adequate parameters to address the company's ability to pay when a spill or accident occurs.

Section 12 of the legislation allows first-class cities to opt into the commission crossing inspection safety program. This will result in approximately 167 additional grade crossing inspections each year and additional administrative work needed on petitions. (0.8 FTE).

Section 16 of the legislation requires the commission to adopt rules governing private grade crossings along the railroad routes over which crude oil is transported and gives the commission inspection authority. There will be approximately 350 additional inspections requiring an increase in state inspection workload (1.2 FTE's). Section 16 will require a simple rulemaking.

Section 18 allows the commission employee certified by the federal railroad administration (FRA) to perform hazardous materials inspection to enter private shippers' property, for the purposes of rail car inspection, without an FRA escort. These inspections are already taking place but removing the requirement of an FRA escort will make them more efficient allowing more adequate coverage of the state. No fiscal impact.

Section 19 allows the commission to assess a regulatory fee on railroads operating in the state of 2.5% of gross intrastate operating revenue. Class 3 railroads that do not move crude oil will be exempt from the fee increase and remain at 1.5%. The increase in the regulatory fee will fund the hiring and maintaining of 8 additional railroad inspectors (5 federally certified and 3 state).

### **Part III: Expenditure Detail**

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

	<b>FY 2016</b>	<b>FY 2017</b>	<b>2015-17</b>	<b>2017-19</b>	<b>2019-21</b>
FTE Staff Years	9.3	8.0	8.7	8.0	8.0
A-Salaries and Wages	718,670	614,880	1,333,550	1,229,760	1,229,760
B-Employee Benefits	189,362	164,452	353,814	328,904	328,904
C-Professional Service Contracts	150,000		150,000		
E-Goods and Other Services	123,209	12,000	135,209	24,000	24,000
G-Travel	161,557	158,448	320,005	316,896	316,896
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	278,404	278,406	556,810	556,812	556,812
9-					
<b>Total:</b>	<b>\$1,621,202</b>	<b>\$1,228,186</b>	<b>\$2,849,388</b>	<b>\$2,456,372</b>	<b>\$2,456,372</b>



**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
Administrative Law Judge	98,328	0.2		0.1		
Assist Director Trans & Safety	95,168	0.2		0.1		
Compliance Mgr, Trans & Safety	74,365	0.0		0.0		
Consumer Program Specialist 3	55,836	0.3		0.2		
Director, Trans & Safety	100,636	0.1		0.0		
Legal Secretary I	39,516	0.1		0.0		
Paralegal I	53,148	0.1		0.0		
Rail Carrier Compl Spec-Federal	78,584	5.0	5.0	5.0	5.0	5.0
Rail Carrier Compl Spec-State	78,584	3.1	3.0	3.1	3.0	3.0
Senior Policy Strategist	109,454	0.1		0.1		
Trans & Safety Policy Analyst	72,000	0.2		0.1		
<b>Total FTE's</b>	<b>855,619</b>	<b>9.3</b>	<b>8.0</b>	<b>8.7</b>	<b>8.0</b>	<b>8.0</b>

## 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.*

Sections 11, 12, 16, and 19 require new rule making.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1449 E S HB AMS ENGR S3087.E	<b>Title:</b> Oil transportation safety	<b>Agency:</b> 245-Military Department
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## 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
<b>Account</b>					
Worker and Community Right-to-Know Account-State 163-1	19,430	19,430	38,860	38,860	38,860
<b>Total \$</b>	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:	Phone:	Date: 04/16/2015
Agency Preparation: Dan Banks	Phone: 2535127065	Date: 04/17/2015
Agency Approval: Bret Daugherty	Phone: (253) 512-8201	Date: 04/17/2015
OFM Review: Regan Hesse	Phone: (360) 902-0650	Date: 04/17/2015

## 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 6 adds authority for ECY to share advance notice information with EMD and any county, city, tribal, port or local government emergency response agency upon request. This may have an undetermined minor fiscal impact on the work load of the State Emergency Operations Officers. Section 6 and Section 20 exempt this information from public disclosure.

Section 13 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 subject to the availability of amounts appropriated for this specific purpose. The assumption is that if no funding is made available for that purpose - the requirement is not applicable.

Section 14 of the proposed legislation changes RCW 38.52.070 to direct local comprehensive emergency management plans (CEMP) 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-					
<b>Total:</b>	\$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						
<b>Total FTE's</b>	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.*

No update required

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1449 E S HB AMS ENGR S3087.E	<b>Title:</b> Oil transportation safety	<b>Agency:</b> 461-Department of Ecology
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## 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	9.0	5.9	7.5	2.8	2.7
<b>Account</b>					
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	706,385	358,017	1,064,402	208,894	165,596
<b>Total \$</b>	<b>2,998,385</b>	<b>2,650,017</b>	<b>5,648,402</b>	<b>4,792,894</b>	<b>4,749,596</b>

### 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:	Phone:	Date: 04/16/2015
Agency Preparation: Robert Dengel	Phone: 360-407-6905	Date: 04/30/2015
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 04/30/2015
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 05/01/2015

## 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.*

ESHB 1449 AMS Engrossed S3087.E would make the following changes to ESHB 1449 AMS WM:

- Section 6 would add the bill of lading to the information that would be provided by railroad companies for advance notice.
- Section 10 would replace the exclusion to the Pilotage Commission's rulemaking in Grays Harbor from pilotage of enrolled vessels to prohibiting any rules affecting pilotage.
- Section 17 would direct Ecology to perform a vessel traffic risk assessment for the Columbia River, rather than convening a panel of experts.
- Section 19 would allow the fee on railroads to increase up to 2.5% of intrastate gross operating revenue, and would remove surcharges provisions for the Utilities and Transportation Commission (UTC). Class three railroads that do not haul crude oil would retain the current fee rate.

ESHB 1449 AMS Engrossed would result in the following:

Section 1 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 2, 3, 4 and 5: 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 the first possession of crude oil and refined petroleum products transported into the state.

Sections 2, 3, 4, and 5 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.

Section 6 would require facilities receiving crude oil from a railroad car to provide weekly advance notice of transfers to Ecology. Advance notice would include information on the route, scheduled time, location, volume, bill of lading and gravity of crude oil received. Facilities would not be responsible for updating information throughout the seven day period due to changes.

Ecology would develop aggregate advance notice information on a statewide basis for quarterly published reports; including place of origin, mode of transport, number of railcars, number and volume of spills during transport. Section 20 would exempt non-aggregated information that is proprietary, commercial, or financial from public disclosure; however Ecology could provide the information to state emergency managers and local governments.

Sections 7, 8 and 9 would modify RCW 88.46.010, RCW 90.56.010 and RCW 88.40.011 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 10 would provide the Pilotage Commission discretionary authority to write rules for Grays Harbor on tug

escort requirements and safety measures, where facilities have been permitted. Rulemaking would exclude pilotage requirements. Pilotage Commission's discretionary rulemaking for a given water body would be conditioned on a facility being permitted, or approved by the Energy Facility Site Evaluation Council (sec. 10). This would have no direct fiscal impact on Ecology; however, any such rulemaking would likely rely upon the result of vessel and rail traffic risk assessments. The costs for this section are indeterminate because it's unknown whether the new facilities will be sited, or whether there will be a change to an existing facility, to receive crude oil. (Please note: the Governor's budget includes funding for vessel and rail traffic risk assessments and risk experts. The Governor's budget items are G11, Oil Spill Risk Assessments. and N8, Reduce Oil Spill Risk.)

Section 11 would require railroad companies to provide information on the company's ability to pay for a spill or accident in their annual report to the Utilities and Transportation Commission (UTC). The UTC would be prohibited from using the information in the reports as a basis for developing economic regulations or issuing penalties against railroad companies. This would have no fiscal impact on Ecology.

Section 12 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 on Ecology.

Sections 13-14: Chapter 38.52 RCW governs emergency management. RCW 38.52.040 currently requires Local Emergency Planning Committees (LEPCs) to submit hazardous materials response plans to the State Emergency Response Commission every four years. These sections 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 on Ecology.

Sections 15 and 16 would give UTC the authority to adopt rules on safety standards for private crossings where hazardous materials are transported.

Section 17 would direct Ecology to perform a vessel traffic risk assessment for the Columbia River, with a list of specific safety recommendations. A draft assessment would be required to be provided to the Legislature by December 15, 2017, with a final completed by June 30, 2018. (Please note: the Governor's budget includes \$500,000 a biennium from the Oil Spill Prevention Account to fund vessel and rail traffic risk assessments. The Columbia River vessel traffic risk assessment is part of this package. The Governor's budget item is G11, Oil Spill Risk Assessments. The Governor also funded two risk experts in the budget item N8, Reduce Oil Spill Risk to analyze the changing oil spill risks and provide directions and guidance for the vessel and rail traffic risk assessments work.)

Section 18 would authorize UTC-certified inspectors to enter private property to conduct inspections. This would have no fiscal impact on Ecology.

Section 19 would allow the fee on railroads to increase up to 2.5% of intrastate gross operating revenue, and removes surcharges provisions for the Utilities and Transportation Commission (UTC). Class three railroads that do not haul crude oil would retain the current fee rate.

Section 21 would direct the Senate Energy, Environment, and Telecommunications Committee and the House of Representatives Environment Committee to hold at least one joint meeting with affected US and Canadian parties to discuss oil spill prevention and response activities for international crude oil transport.

Several provisions of the bill (sections 1, 12, 13, 16 and 17) would be conditioned on the availability of

appropriations for their specific purposes. These provisions include: equipment and resource grants to emergency responders; first class cities ability to opt-in to the rail crossing safety inspection program; requirements for local emergency planning of hazardous materials; UTC rulemaking on private crossings; and Ecology undertaking a vessel traffic risk assessment for Columbia River. There would be no changes in estimated expenditures as a result of the provisions being conditioned.

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

The Governor's 2015-17 Biennium Budget includes a request for the Oil Spill Response Equipment Grants Program, budget item N7. Therefore, Ecology's expenditures assumptions for the emergency response grants program in section 2 are consistent with that request.

Ecology assumes that any 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 3s (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 4s (2.0 FTES per FY) from July 1, 2015, to June 30, 2017, to complete rulemaking for the grant program. Based on consultation with the Attorney General's Office, Ecology estimates 0.2 FTE per FY Assistant Attorney General support from July 1, 2015, to June 30, 2017, for rule development and grant contract legal review. Grant and rulemaking expenditures are assumed to be Local Toxics Control Account costs, and to total \$2,000,000 per year, except that grant management staff in FY 2018 and ongoing would be funded from the State Toxics Control Account.

### **Section 1 Summary:**

FY 2016 and on-going: \$110,000/year maintenance and training goods and services;

FY 2016 and FY 2017: 2.0 FTEs per FY Environmental Planner 4s and 2.0 FTEs per FY Environmental Specialist 3s; and \$1,731,000 per FY in equipment grants.

FY 2018 and on-going: 2.0 Environmental Specialist 3s and \$2,000,000 per FY in equipment grants.



#### Sections 6 and 20: Advanced Notice

Ecology estimates it would take one full-time Information Technology Specialist 5 from July 1, 2015, to March 30, 2016, (0.75 FTE) and one full-time Marine Transportation Safety Specialist 3 from July 1, 2015, to March 30, 2016, (0.75 FTE) to update the Advance Notice of Transfer System (ANT) and Spills Program Integrated Information System (SPIIS). These updates would be needed to accommodate the additional data and to develop reports that would be sent to local governments and emergency managers. Ecology estimates it would take 10% of an Information Technology Specialist 5 ongoing beginning July 1, 2015, (0.1 FTE per FY) to administer the reports from the ANT and SPIIS for local governments and emergency managers, and to provide assistance accordingly.

Ecology estimates it would will take one full-time Environmental Planner 4 (1 FTE) from July 1, 2015, to June 30, 2016, to initiate and manage the rulemaking process for requirements in Section 7. It would also require one full-time Economic Analyst 3 from January 1, 2016, to March 31, 2016, (0.25 FTE) to provide a small business impact statement. Based on consultation with the Attorney General's Office, Ecology estimates that no additional AAG support would be needed for this rulemaking.

#### Sections 6 and 20 summary:

FY 16: 2.85 FTEs.

FY 17 and on-going: 0.1 FTE per FY.

Section 17 would direct Ecology to perform a vessel traffic risk assessment (VTRA) for the Columbia River, with a list of specific safety recommendations. A draft assessment would be required to be provided to the Legislature by December 15, 2017, with a final completed no later than June 30, 2018.

Based on Ecology's experience with the Marine and Rail Transportation Study and previous vessel traffic risk assessments, Ecology estimates that from July 1, 2015, to June 30, 2017, it would take one part time Marine Transportation Safety Specialist 3 (0.5 FTE per FY) and a part time Environmental Engineer 5 (0.5 FTE per FY) to provide guidance and direction for a contractor to develop the VTRA. The Marine Transportation Safety Specialist 3 would analyze vessel traffic information, while the Environmental Engineer 5 would analyze the amount of new oil being transferred onto vessels as a result of rail traffic. In order to finalize the VTRA and support contractor assessment updates in FY 18, Ecology estimates a part time Marine Transportation Safety Specialist 3 (0.25 FTE) and a part time Environmental Engineer 5 (0.25 FTE) would be required.

In order to keep the assessment updated to reflect current vessel traffic, Ecology estimates ongoing staffing of a part time Marine Transportation Safety Specialist 3 (0.1 FTE) and a part time Environmental Engineer 5 (0.1 FTE), starting in FY 19 and ongoing.

Based on Ecology's experience with the Marine Rail and Transportation Study and previous vessel traffic risk assessments, Ecology estimates a contractor would cost \$200,000 for each fiscal year from July 1, 2015, to June 30, 2017, to develop the Columbia River VTRA. Ongoing contractor costs are estimated to be \$40,000 each year beginning in FY 18 to maintain currency of the assessment.

(Please note: these estimates for VTRA contract costs are similar to those made for the Governor's budget item G-11, which were \$250,000 per fiscal year. We had proposed doing the Grays Harbor VTRA and rail traffic risk assessment in the first biennium, and the Columbia River VTRA and the Puget Sound VTRA update in the second biennium. These estimates were based on undertaking multiple risk assessments at one time, thus

providing economies of scale. In addition, the Columbia River VTRA appears to be a more complex and costly risk assessment than Grays Harbor or an update to the Puget Sound due to unique features specific to the Columbia River. The unique features include a narrow channel, high volume cross vessel traffic, multiple bridges and a treacherous bar.)

#### Section 17 summary:

FY 16 and FY 17: \$200,000 contract each year; 0.5 FTE MTSS3 and 0.5 FTE EE5 each year

FY 18: \$40,000 contract; 0.25 FTE MTSS3 and 0.25 FTE EE5

FY 19 and ongoing: \$40,000 contract each year; 0.1 FTE MTSS3 and 0.1 FTE EE5 each year

#### Notes on costs by fund sources:

Staff-related expenditures for advanced notice and Columbia River VTRA 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	(75,938)	(558,938)
(2) Current Revenue Forecast	4,680,000	3,680,000	2,920,000
(3) Revenue Changes per this bill	1,683,000	2,800,000	3,560,000
(4) Proposed Expenditures by ECY and DFW	7,818,000	6,963,000	6,920,000
Estimated Ending Balance	\$(75,938)	\$(558,938)	\$(998,938)

#### Notes:

(1) Working Capital Reserve (\$2 Million) has been subtracted from 2015-17 beginning balance.

(2) Reflects Department of Revenue forecast February 2015.

(3) Per DOR fiscal note: Increased revenue to State Oil Spill Prevention Account-State from ESHB 1449 AMS ENGR.

(4) Includes Carry Forward Level = Ecology \$5.755 Million, Department of Fish and Wildlife \$928,000 and Engrossed Substitute House Bill 1449 AMS ENGR costs. Does not include 2015-17 Maintenance Level or 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 agency average of 33.0% of salaries.

#### Personal Service Contracts:

Section 17 would require a \$200,000 contract each in FY 16 and FY 17, and \$40,000 ongoing starting in FY 18.

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

Section 1 would require 0.2 FTE Assistant Attorney General support in FY 16 (\$40,581) and FY 17 (\$40,581).

Section 1 would also require \$110,000 per year to maintain existing oil spill caches and for a response vehicle to deliver equipment trailers and supporting equipment.

Travel is the agency average 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 32.75% 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.

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.

Personal Service Contracts:

Section 17 would require a \$200,000 contract each in FY 16 and FY 17, and \$40,000 per FY ongoing, starting in FY 18.

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

Section 1 would require 0.2 FTE Assistant Attorney General support in FY 16 (\$40,581) and FY 17 (\$40,581). Section 1 would also require \$110,000 per year to maintain existing oil spill caches and for a response vehicle to deliver equipment trailers and supporting equipment.

Travel is the agency average 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 32.75% 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	9.0	5.9	7.5	2.8	2.7
A-Salaries and Wages	482,983	298,498	781,481	256,317	233,194
B-Employee Benefits	159,385	98,505	257,890	84,585	76,954
C-Personal Service Contracts	110,000	40,000	150,000		
E-Goods and Services	284,817	339,117	623,934	327,974	326,262
G-Travel	10,944	7,109	18,053	6,830	6,410
J-Capital Outlays	8,879	5,769	14,648	5,542	5,202
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	210,377	130,019	340,396	111,646	101,574
<b>Total:</b>	<b>\$2,998,385</b>	<b>\$2,650,017</b>	<b>\$5,648,402</b>	<b>\$4,792,894</b>	<b>\$4,749,596</b>

**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
ECONOMIC ANALYST 3	63,192	0.3		0.1		
ENVIRONMENTAL ENGINEER 5	80,892	0.5	0.5	0.5	0.2	0.1
ENVIRONMENTAL PLANNER 4	60,120	3.0	2.0	2.5		
ENVIRONMENTAL SPECIALIST	47,016	2.0	2.0	2.0	2.0	2.0
3						
FISCAL ANALYST 2		0.8	0.5	0.7	0.3	0.2
IT SPECIALIST 2		0.4	0.3	0.3	0.1	0.1
IT SPECIALIST 5	71,496	0.9	0.1	0.5	0.1	0.1
MARINE TRANSPORTATION	73,260	1.3	0.5	0.9	0.2	0.1
SAFETY SPEC 3						
<b>Total FTE's</b>	395,976	9.0	5.9	7.5	2.8	2.7

**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 1 would require rulemaking to set up the emergency spill response cache grant program.

Section 6 would require rulemaking to implement the new reporting requirements for oil by railroad.

Sections 10 would authorize the Pilotage Commission, not Ecology, to conduct the rulemaking.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1449 E S HB AMS ENGR S3087.E	<b>Title:</b> Oil transportation safety	<b>Agency:</b> 468-Environmental & Land Use Hearings
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## Part I: Estimates

☒ **No Fiscal Impact**

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

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact:	Phone:	Date: 04/16/2015
Agency Preparation: Paulette Yorke	Phone: 360-664-9171	Date: 04/17/2015
Agency Approval: Paulette Yorke	Phone: 360-664-9171	Date: 04/17/2015
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 04/17/2015

## 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.*

1449 ES HB AMS WM S2976.4 authorizes the Department of Ecology to provide grants to first responders to assist with purchase of response equipment for spills of oil and hazardous materials. The bill amends existing statutes governing the oil spill response tax by adding a definition of bulk oil terminal and tank car, and extending the oil spill response tax statute to levy a tax on the receipt of crude oil at a bulk oil terminal. The bill adds a section to ch. 90.56 RCW requiring facilities receiving bulk oil from a railroad car to provide Ecology with advance notice of such shipments. The bill updates the statutory definition of "oil" in various statutes to provide coverage for all oils handled in the state. The bill requires first-class cities to provide the Washington Utilities and Transportation Commission with a list of all public crossings within the jurisdiction.

The bill does not provide any new authority to issue administrative orders or penalties that would be appealable to the Pollution Control Hearings Board. The bill, therefore, will not have a fiscal impact on the PCHB or the Environmental and Land Use Hearings Office.

### 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

<b>Bill Number:</b> 1449 E S HB AMS ENGR S3087.E	<b>Title:</b> Oil transportation safety	<b>Agency:</b> 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 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.3	0.3	0.3	0.3	0.3
<b>Account</b>					
Oil Spill Prevention Account-State 217-1	35,600	35,600	71,200	71,200	71,200
<b>Total \$</b>	35,600	35,600	71,200	71,200	71,200

### 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:	Phone:	Date: 04/16/2015
Agency Preparation: Kayla Saville	Phone: 360-902-2202	Date: 04/17/2015
Agency Approval: Catherine Suter	Phone: 360-902-2196	Date: 04/17/2015
OFM Review: Heather Matthews	Phone: (360) 902-0543	Date: 04/17/2015

## 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 17 requires the Department of Ecology (ECY) to conduct an evaluation and assessment of vessel traffic on the Columbia River.

Section 21 requires certain legislative committees to hold a meeting regarding expected risks posed by transport of Canadian crude oil through northwest waters.

### 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.*

Washington Department of Fish and Wildlife (WDFW) assumes the Columbia River vessel study (section 17) would involve review and analysis by the WDFW oil spill team, and possibly the WDFW renewable energy section, to identify and evaluate natural resources at risk in the geographic area of interest. We anticipate this would require 0.16 FTE at the Biologist 4 level.

The WDFW oil spill team has substantial expertise in the natural resources at risk by the anticipated increase in transport of Canadian crude oil through northwest waters. WDFW anticipates another .17 FTE at the Biologist 4 level to either participate in, or provide critical information to ECY as part of, the legislative joint meeting per section 21. The bill requires “at least one” joint meeting, but leaves the door open for this to be an on-going event. WDFW assumes that it will occur annually.

Goods and services, object E, includes \$5,000 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. Object E also includes an infrastructure and program support rate of 25.76%, and is calculated based on cost estimates for eligible objects each fiscal 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	0.3	0.3	0.3	0.3	0.3
A-Salaries and Wages	19,800	19,800	39,600	39,600	39,600
B-Employee Benefits	6,800	6,800	13,600	13,600	13,600
C-Professional Service Contracts					
E-Goods and Other Services	9,000	9,000	18,000	18,000	18,000
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-					
<b>Total:</b>	\$35,600	\$35,600	\$71,200	\$71,200	\$71,200

**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
Fish and Wildlife Biologist 4	60,120	0.3	0.3	0.3	0.3	0.3
<b>Total FTE's</b>	60,120	0.3	0.3	0.3	0.3	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.

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

<b>Bill Number:</b> 1449 E S HB AMS ENGR S3087.E	<b>Title:</b> Oil transportation safety
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## Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

### Legislation Impacts:

- ☒ Cities: Cities engaged in local emergency planning; first-class cities
- ☒ Counties: Counties engaged in local emergency planning
- ☒ Special Districts: Port of Grays Harbor; public ports and safety committees on the Columbia River
- ☐ 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; possible costs associated with applying for grants
- ☒ Legislation provides local option: First-class cities may transfer crossing inspection/enforcement to UTC; applying for grants
- ☒ Key variables cannot be estimated with certainty at this time: If Pilotage Commission will require tug escorts in Grays Harbor for certain vessels; extent of local government participation in marine traffic and safety assessment

### Estimated revenue impacts to:

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

### Estimated expenditure impacts to:

Jurisdiction	FY 2016	FY 2017	2015-17	2017-19	2019-21
City	1,198,667	1,198,667	2,397,334	2,795,734	2,731,867
County	314,067	314,067	628,134	697,934	681,967
Special District	314,067	314,067	628,134	697,934	681,967
<b>TOTAL \$</b>	1,826,801	1,826,801	3,653,602	4,191,602	4,095,801
<b>GRAND TOTAL \$</b>	11,941,005				

## Part III: Preparation and Approval

Fiscal Note Analyst: Sam Wilson	Phone: 360-725-5040	Date: 04/20/2015
Leg. Committee Contact:	Phone:	Date: 04/16/2015
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 04/20/2015
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 04/21/2015

## **Part IV: Analysis**

### **A. SUMMARY OF BILL**

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

#### **CHANGES BETWEEN THE PREVIOUS AND CURRENT BILL VERSIONS:**

--Changes in Section 6 expands the scope of information required on advanced notices of oil transfer. This change is not anticipated to affect local governments.

--Section 17 no longer requires the Department of Ecology (Ecology) to convene a marine safety panel. The new language would require Ecology to complete an evaluation and assessment of vessel traffic management and vessel traffic safety within and near the mouth of the Columbia River in consultation with relevant local governments.

--Changes in Section 18 make an exception in the rule regarding commission fees for Class III railroads that do not haul crude oil. This change is not anticipated to affect local governments.

#### **SUMMARY OF CURRENT VERSION:**

Section 1 requires Ecology to provide grants to emergency responders to assist with incidents related to oil spills and hazardous materials response. The grant may cover firefighting equipment and resources needed to meet the requirements of this legislation.

Section 6 requires Ecology to establish an advance notice system for rail oil transportation. Ecology would share information from oil receiving facilities with local governments and emergency response agencies upon request. Local governments may not disclose this information with the public or nongovernmental entities if it is non-aggregated or is proprietary, commercial, or financial, in nature.

Section 20 amends RCW 42.56.270 to add this information to the list of items that are exempt from the Public Records Act.

Section 10 states that the State Board of Pilotage Commissioners (BPC) may adopt rules to require tug escorts and other safety measures for large oil tankers and certain other vessels within a two-mile radius of the Grays Harbor pilotage district. These rules would be created in consultation with local governments.

Section 12 would allow first-class cities, which are currently exempt from the UTC's railroad safety jurisdiction, to opt into the UTC's grade crossing inspection program. It would require first-class cities to inventory and report all crossings and notify the UTC of any openings, closings or modifications of crossings.

Section 13 requires local emergency planning organizations to submit their hazardous material plans to the director of the emergency management council and update the plans on a five-year cycle. This requirement is subject to the availability of appropriations. Per Section 14, these plans must be included within local comprehensive emergency management plans.

Section 17 requires Ecology to complete an evaluation and assessment of vessel traffic management and vessel traffic safety within and near the mouth of the Columbia River in consultation with relevant local governments.

### **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. This analysis assumes that the scale of the indeterminate impacts is significantly smaller than that of the quantified impacts. Some costs would be incurred during the first year after adoption of this legislation. Costs associated with updating emergency response grants and distributing grants would diminish somewhat in later years.

This legislation would have an indeterminate impact on local government expenditures related to new requirements by the Board of Pilotage Commissioners (BPC), railroad crossing inventory, inspection, and enforcement, reporting and hazardous material plan update requirements for local emergency planning committees, consultation on Ecology's marine traffic and safety assessment, and the grant established by Ecology. Expenses related to the railroad crossings, update requirements for planning organizations, and consultation on the assessment are subject to the availability of amounts appropriated for those purposes.

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 (LEPCs). These fiscal impacts are estimated at \$479,000 over a five-year period.

Expenditures associated with grant revenue are expected to occur in the same year in which grants are received . For more details, see the discussion of grant revenue in the Revenue Impact section.

There would also be costs incurred by cities, counties, or special districts that assist Ecology in efforts to review existing plans, equipment, and needs. Local jurisdictions would 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.

#### 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 would expend money in unsuccessful pursuit of grants. However, the magnitude of these costs cannot be estimated. Additionally, first responder grants are subject to funding availability. 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 : evaluating existing hazardous material response and firefighting equipment and resources, determining the need for new resources or equipment, identifying areas or regions which 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.

#### PILOTAGE REQUIREMENTS:

If the BPC exercises the authority granted by this legislation to extend tug boat safety measure requirements to Grays Harbor, it is possible that the Port of Grays Harbor may realize additional expenditures as it provides pilotage for oil transport vessels and articulated barges in the harbor. There have been several recent years where expenditures by the port in the provision of pilotage services have exceeded tariff revenues. However, the Board of Pilotage Commissioners has recently adjusted the tariffs rates for the port and currently the provision of pilotage service by the port is fiscally neutral. In addition, the port anticipates that it would be able to accurately forecast increases related to oil transportation (currently predicted at up to 300 new vessels per year) and adjust service provision. This would increase expenditures, but the port states that current tariffs would cover these expenditures and in the event that they did not, they would be able to identify and request needed tariff adjustments in order to preclude any revenue shortfalls.

#### RAILROAD CROSSING INVENTORY, INSPECTION AND ENFORCEMENT:

Section 12 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 would 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 this legislation's passage. Additionally, first-class cities must notify the UTC within 30 days of modifying, closing or opening a grade crossing. 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.

#### REPORTING AND UPDATE REQUIREMENTS FOR LOCAL EMERGENCY PLANNING ORGANIZATIONS:

Emergency management planning expenditures by local jurisdictions would be likely to increase upon adoption of this legislation. Currently, only one of 42 local emergency planning committees has met minimum federal standards. This legislation would 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 would likely instigate those LEPCs that have not yet complied with these requirements to undertake an update that meets the federal standard. Cumulative local costs associated with the update of local hazardous material plans are anticipated to be \$479,700 statewide over five years, as described in the paragraph below. These costs are allocated amongst cities, counties, and special districts in a

manner similar to the assumptions for grant awards and expenditures with two-thirds experienced by cities and the remaining one-third split evenly between counties and special districts. Costs to include hazardous materials plans within local comprehensive emergency management are not expected to be significant.

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.

According to the Washington State Emergency Management Association, LEPC expenses for hazardous materials plans are related to a jurisdiction's overall risk. For example, Franklin County is home to one of the largest train switching yards in the state. The expansion of oil transport by rail in Franklin County has increased their hazard profile, which requires additional emergency planning and coordination local fire districts and other emergency management entities (Franklin County Emergency Management).

#### **PARTICIPATION IN VESSEL TRAFFIC AND SAFETY EVALUATION:**

Relevant local governments may be required to consult with Ecology during the creation of an evaluation and assessment of vessel traffic and safety, resulting in an indeterminate increase in expenditures for affected local governments. Any expenses would be incurred before June 30, 2017. This effort is expected to include the Ports of Camas-Washougal, Kalama, Longview, Ridgefield, Vancouver, Wahkiakum County No. 1, Wahkiakum County No. 2, and Woodland. It is possible that additional local governments may be consulted.

It is anticipated that senior level staff at local governments would primarily be involved in this effort. The Local Government Fiscal Note program estimates hourly labor and overhead for senior staff at \$85/hour, but the amount of time and extent of consultation is not known at this time. These costs would primarily be incurred by ports. The total expenditures incurred by local governments would be higher if other local governments become involved in this effort or organizations have more than one staff member consulted with Ecology.

Harbor safety committees are comprised of mostly private-sector officials, but often include staff from public ports.

### **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.*

#### **RESOURCE AND EQUIPMENT GRANTS:**

The Department of Ecology could provide grants for resources and equipment to first responders such as fire, police, and public works departments or districts. There could be \$1,731,000 in grants provided during FY 2016 and a similar amount could be distributed in FY 2017. Between FY 2018 and FY 2021, grants could total \$2,000,000 per year. First-responder grants are subject to amounts appropriated.

For the purposes of this analysis, two-thirds of this grant money is anticipated to go to cities that 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 one-third of total grant money is assumed to be split evenly between county and special districts.

Language regarding the grant in this bill mirrors that of E 2SB 5057 (Section 2). The estimates shown here are taken from Ecology's fiscal note for that bill.

#### **SOURCES:**

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 City of Bellingham Resolution 2014-03

City of Spokane Resolution 2014-0009

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 Draft Fiscal Analysis of Oil Transportation Safety Bill Department of Ecology website, Oil Movement Frequently Asked Questions, <http://www.ecy.wa.gov/programs/spills/OilMovement/FAQs.html>

Department of Revenue Draft Fiscal Analysis of Oil Transportation Safety Bill Dept. of Ecology Spills Program, Conversation with Scott Ferguson on 12 /15/2014 Mason County LEPC, Conversation with Tammy Wright on 12/15/2014

Franklin County Emergency Management  
Hearing for 1449 S HB, House Finance Committee, 2/14/2015  
King County Emergency Management  
Local Government Fiscal Note for E2S SB 5057  
Military Department Draft Fiscal Analysis of Oil Transportation Safety Bill Pacific County LEPC, Email from Stephanie Fritts on 13/18/14  
Port of Grays Harbor, Conversation with Gary Nelson, 12/16/14  
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: Pilotage Rates for the Grays Harbor Pilotage District  
Washington State Board of Pilotage Commissioners Annual Reports 2006-2011, <http://www.pilotage.wa.gov/Pages/AnnualReports.aspx>  
Washington State Transportation Commission Local meeting Summary May 20 , 2014  
United States General Services Administration Website  
Washington Public Ports Association  
Washington State Board of Pilotage Commissioners  
Washington State Department of Ecology Fiscal Note for E 2SB 5057  
Washington State Department of Transportation  
Washington State Emergency Management Association  
Washington State Office of Financial Management Per Diem Website