

Multiple Agency Fiscal Note Summary

Bill Number: 2262 HB	Title: Tennis special license plates
-----------------------------	---

Estimated Cash Receipts

Agency Name	2015-17		2017-19		2019-21	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Licensing	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Department of Corrections	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Total \$	0	0	0	0	0	0

Estimated Expenditures

Agency Name	2015-17			2017-19			2019-21		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Department of Corrections	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total	0.0	\$0	\$0	0.0	\$0	\$0	0.0	\$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). 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: Veronica Jarvis, OFM	Phone: (360) 902-0649	Date Published: Final 2/17/2016
--	---------------------------------	---

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

** See local government fiscal note

FNPID: 44055

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 2262 HB	Title: Tennis special license plates	Agency: 240-Department of Licensing
-----------------------------	---	--

Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). 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>

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: 02/05/2016
Agency Preparation: Sieng Bonham	Phone: 360-902-3642	Date: 02/09/2016
Agency Approval: Dan Weeks	Phone: (360) 902-0147	Date: 02/09/2016
OFM Review: Veronica Jarvis	Phone: (360) 902-0649	Date: 02/09/2016

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 amends RCW 46.18.200 by adding tennis special plate to the list of special plates issued by Department of Licensing (DOL).

Section 2 amends RCW 46.17.220 by establishing a \$40 initial and \$30 renewal fee for state Tennis license plate.

Section 3 amends RCW 46.68.420 by defining the condition for use of funds; a city is eligible for construction funds if it does not already have a public or private facility with at least 4 indoor tennis courts. Funds for construction must first be made available to the most populous eligible city, according to the most recent census, for a time period not to exceed 5 years. After the 5 year period is up, funds must be made available to the next most populous eligible city. Funds for the maintenance of a public tennis facility with at least 4 indoor tennis courts must first be made available to the first eligible city that utilizes plate funds for construction.

Section 4 amends RCW 46.18.060 to exempt the Washington tennis license plates from the moratorium.

Section 5 creates a new section in chapter 46.04 to define "Washington state tennis license plates."

Section 6 provides the effective date.

DOL will work with the Association of Washington Cities to determine who qualifies to participate, as well as with cities and other interest groups to create the special license plate.

Contracts between DOL and cities will need to be established.

Accounting Services may see an increase in dishonored checks.

DOL may see an increase in credit card costs for online renewals.

This bill is effective January 1, 2017.

II. B - Cash receipts Impact

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

Indeterminate Revenue Impact. There is no information available and it is not known how many might get a Tennis special plate.

For estimating purposes only:

The following table demonstrates potential demand for the Tennis specialty plate.

[See attachment – Table A]

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.

Expenditures are indeterminate.

Cost estimates provided below are based on the assumed plate demand described above.

Program Costs:

DOL requires a Customer Service Specialist 2 to process plate application requests. It takes approximately 5.5 minutes per plate application to process. Based on estimated plate demand and associated workload factors, FTE need varies by fiscal year to process special plates.

DOL requires a Licensing Service Manager 1 to review/approve plate applications and to provide general supervision of staff. Based on estimated plate demand and associated workload factors will require 0.01 FTE on-going.

Costs have been added to provide standard office equipment, supplies, materials, facilities and other staff related expenses.

Plate Production, Tabs and Postage Costs:

[See attachment - Table B]

Information Services Division (ISD) Costs:

The vehicles component of DRIVES within DOL's Business and Technology Modernization project is expected to be implemented by January 2017 followed by a 4 month stabilization period. IT system improvements are expected to significantly reduce the workload related to implementing special plates. DOL has determined that up to 5 special plates can be implemented per legislative session with no IT costs. However, if DOL is required to implement 6 or more special plates, the workload for all plates must be contracted out to a vendor at a cost of \$32,000 for each enacted special plate in order to manage existing staff resources and workload.

Total Direct Program Costs:

2015-17 Biennium: \$5,000

2017-19 Biennium: \$9,900

2019-21 Biennium: \$7,100

Indirect Costs:

An agency indirect rate of 12 percent is applied to direct program costs. Indirect staff funding received covers agency-wide functions such as vendor payments, contract administration, procurement, accounting, mail processing, equipment management, help desk support, and technical assistance provided to DOL employees.

Total Agency Indirect Costs:

2015-17: \$600

2017-19: \$1,200

2019-21: \$900

Total Direct & Indirect Costs:

2015-17: \$5,600*

2017-19: \$11,100

2019-21: \$8,000

*NOTE: Per RCW 46.18.110, the sponsoring organization is responsible for payment of the agency’s start-up costs of \$2,200 out of the total \$5,600 costs for this new plate.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

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

None.

HB 2262 Tennis special license plates - Attachment

Department of Licensing

Table A Workload Indicator & Potential Revenue Impacts							
Partial Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Tennis special license plates	420	950	1,340	1,610	1,870	1,970	2,000
Original Plates	420	530	400	330	300	280	260
Renewal Plates	0	420	940	1,280	1,570	1,690	1,740
Total	420	950	1,340	1,610	1,870	1,970	2,000

Potential Revenue to Special Plate Account

Partial Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Original Plates @\$28	\$ 11,760	\$ 14,840	\$ 11,200	\$ 9,240	\$ 8,400	\$ 7,840	\$ 7,280
Renewal Plates @\$28	\$ -	\$ 11,760	\$ 26,320	\$ 35,840	\$ 43,960	\$ 47,320	\$ 48,720
Total	\$ 11,760	\$ 26,600	\$ 37,520	\$ 45,080	\$ 52,360	\$ 55,160	\$ 56,000

Potential Revenue to Motor Vehicle Fund (108)

Partial Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Original Plates @\$12	\$ 5,040	\$ 6,360	\$ 4,800	\$ 3,960	\$ 3,600	\$ 3,360	\$ 3,120
Renewal Plates @\$2	\$ -	\$ 840	\$ 1,880	\$ 2,560	\$ 3,140	\$ 3,380	\$ 3,480
Total	\$ 5,040	\$ 7,200	\$ 6,680	\$ 6,520	\$ 6,740	\$ 6,740	\$ 6,600

Table B Production Costs					
	FY17	FY18	FY19	FY20	FY21
Plate Sets Digital	420	530	400	330	300
Plate Sets Digital @ \$4.445 each	\$ 1,867	\$ 2,356	\$ 1,778	\$ 1,467	\$ 1,334
	FY17	FY18	FY19	FY20	FY21
Month Tabs	420	530	400	330	300
Year Tabs	420	530	400	330	300
Tabs @ \$.048 each	\$ 40	\$ 51	\$ 38	\$ 32	\$ 29
	FY17	FY18	FY19	FY20	FY21
Mailed Plate Packets	420	530	400	330	300
Postage for Packets @ \$2.59 each	\$ 1,088	\$ 1,373	\$ 1,036	\$ 855	\$ 777
Total for Plates, Tabs, & Postage	\$ 2,995	\$ 3,779	\$ 2,852	\$ 2,353	\$ 2,139

Individual State Agency Fiscal Note

Bill Number: 2262 HB	Title: Tennis special license plates	Agency: 310-Department of Corrections
-----------------------------	---	--

Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

Estimated Capital Budget Impact:

NONE

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>

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: 02/05/2016
Agency Preparation: Wes Thomte	Phone: 360-725-8256	Date: 02/16/2016
Agency Approval: Sarian Scott	Phone: (360) 725-8270	Date: 02/16/2016
OFM Review: Trisha Newport	Phone: (360) 902-0417	Date: 02/17/2016

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(2) amends RCW 46.18.200 to add Washington tennis to the list of special license plates that are approved by and will be issued by the Department of Licensing (DOL).

Section 2(1)(bb) amends RCW 46.17.220 to add Washington tennis to the license plate fee list with an initial fee of \$40.00 and a renewal fee of \$30.00, distributed under RCW 46.68.420.

Section 3(2) amends RCW 46.68.420 to add Washington tennis to the list of special license plate accounts and instructs that the account will provide funds to cities to assist in the construction and maintenance of a public tennis facility with at least four indoor tennis courts - provided that the city does not already have a public or private facility of this type.

Section 4(4)(j) amends RCW 46.18.200 to exempt Washington tennis license plates from the limitations described in subsection 4(3).

Section 5 is a new section. It adds a chapter to RCW 46.04 that defines "Washington tennis license plates" issued under RCW 46.18.200.

Section 6 adds a new section that states this act takes effect January 1, 2017.

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.

There are cash receipt impacts to the Correctional Industries (CI) revolving fund (account 401).

The Department of Corrections (DOC) CI produces license plates for DOL and as a result of this bill will have an increase in production. The cost to DOL for license plates is seen in the cash receipt impact. The cost of Washington tennis special license plates is \$4.45 per set and \$2.22 for singles.

DOL is developing a fiscal note on this bill showing an indeterminate cost, however they are providing an estimated plate count for illustrative purposes.

Given the estimated quantities needed by DOL based on this bill, the cash receipt impact by Fiscal Year (FY) is shown below.

DOL estimates they will purchase the following number of Washington tennis special license plates from CI:

FY2017: 420 sets
FY2018: 530 sets
FY2019: 400 sets
FY2020: 330 sets
FY2021: 300 sets

The estimated total cost for CI to produce license plates is \$4.45/set or \$2.22/single. Based on the number of

plates estimated by DOC to be purchased, the projected revenue generated to the CI non-appropriated revolving fund is:

FY2017: \$ 1,867
FY2018: \$ 2,356
FY2019: \$ 1,778
FY2020: \$ 1,467
FY2021: \$ 1,334

Projected revenue is slightly higher than the expenditures. The difference is used towards administrative costs to run the program.

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.

This bill will result in more specialty license plates being manufactured and has workload impact to DOC CI. Fiscal cost assumptions and the by FY impacts are outlined below.

License plates are manufactured by offenders who are paid an average of \$1.17/hour for this line of business. Given the DOL anticipated increase in license plates purchased, DOC CI will have additional costs associated with offender pay and raw material costs to produce the license plates.

Assumptions:

1. DOL will purchase specialty license plates from DOC CI.
2. The cost to DOL per set of license plates is \$4.45.
3. DOC CI license plate production costs are \$4.16 per set of plates.
4. DOC CI production costs by FY follows:

FY2017: \$ 1,746
FY2018: \$ 2,204
FY2019: \$ 1,663
FY2020: \$ 1,372
FY2021: \$ 1,247

5. The average offender wage is \$1.17 per hour.
6. Increased production of license plates affords offender jobs, which enhances prison safety by reducing idleness, and increases public safety by providing offenders with much needed job skills.
7. Projected revenue is slightly higher than the expenditures. The difference is used towards administrative costs to run the program.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

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

None.