Multiple Agency Fiscal Note Summary

Bill Number: 2969 HB _STRIKING AMENDMENT	**Title:** Transportation

Estimated Cash Receipts

Agency Name	2001-03		2003-05		2005-07	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	(94,000)	0	(188,000)	0	(188,000)	0
Office of Attorney General	0	47,815	0	78,691	0	67,848
Department of Revenue	0	20,604,800	0	122,319,900	0	154,587,500
Department of Licensing	0	39,057,898	0	414,422,821	0	484,227,418
Total $	(94,000)	59,710,513	(188,000)	536,821,412	(188,000)	638,882,766

Local Gov. Courts *						
Local Gov. Other **		22,698,624		91,749,611		98,948,464
Local Gov. Total		22,698,624		91,749,611		98,948,464

Estimated Expenditures

Agency Name	2001-03			2003-05			2005-07		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Joint Legislative Audit and Review Committee	1.2	345,500	345,500	2.4	620,000	620,000	2.4	620,000	620,000
Office of the Secretary of State	.0	5,515,000	5,515,000	.0	0	0	.0	0	0
Office of State Treasurer	.5	0	94,000	1.0	0	188,000	1.0	0	188,000
Office of Attorney General	2.1	956,701	1,004,516	2.7	1,111,045	1,189,736	.2	0	67,848
Department of Revenue	.8	109,400	109,400	1.3	172,500	172,500	.8	106,200	106,200
Department of Licensing	.0	0	152,785	.0	0	11,200	.0	0	0
Department of Transportation	.0	0	0	.0	0	0	.0	0	0
Transportation Commission	.0	0	0	.0	0	0	.0	0	0
Total	4.6	$6,926,601	$7,221,201	7.4	$1,903,545	$2,181,436	4.4	$726,200	$982,048

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

Prepared by: Elise Greef, OFM	**Phone:** 360-902-0539	**Date Published:** Final 3/ 4/2002

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

** See local government fiscal note

Individual State Agency Fiscal Note

Bill Number: 2969 HB _STRIKING AMENDMENT	Title: Transportation	Agency: 014-Joint Leg. Audit & Review Committee

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

FUND					
Total $					

Estimated Expenditures from:

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years	0.0	2.4	1.2	2.4	2.4
Fund					
General Fund-State 001-1	0	345,500	345,500	620,000	620,000
Total $	0	345,500	345,500	620,000	620,000

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: 02/22/2002
Agency Preparation:	Curt Rogers	Phone: 360 786-5188	Date: 02/25/2002
Agency Approval:	Tom Sykes	Phone: 360 786-5175	Date: 02/26/2002
OFM Review:	Linda Steinmann	Phone: 360-902-0573	Date: 02/26/2002

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 102 of this bill creates a Transportation Accountability Board (TAB) to provide citizen oversight on transportation projects. The Board shall serve as a single, independent point of accountability for reporting, analyzing, and monitoring the Department of Transportation's (DOT) performance in delivering improvement projects and programs funded with new transportation tax revenues.

Section 104 of the bill directs that JLARC provide staff support to the Board to include professional support for the duties, functions, responsibilities and activities of the board; information technology systems; data collection, processing, analysis, and reporting; project management; and office space, equipment, and secretarial support.

Section 106 directs DOT to prepare and submit to the Transportation Commission once each quarter, a comprehensive and detailed audit report on each transportation project funded by the Act. Section 107 of the bill directs that the Transportation Commission review each of the proposed audit reports submitted by DOT, and then forward each of the audit reports to the Accountability Board.

Section 108 directs that the Transportation Accountability Board (TAB) review these quarterly audit reports on each transportation project and accept or reject the reports. In making its determination, the Board is to: analyze, investigate, and evaluate the data contained in the quarterly audit reports; and receive staff support for this evaluation from JLARC. As part of the evaluation process, the Board may make recommendations to DOT and Transportation Commission for efficiencies, savings, or improvements in DOT's project management, accountability measures or project delivery mechanisms. Upon final acceptance, the Board is to forward all audit reports to the transportation standing committees of the House of Representatives and Senate, and to the Office of Financial Management (OFM); and publish and make these audit reports available to the public.

For its professional staff support to the Transportation Accountability Board, JLARC would recruit and hire a full-time transportation analyst to be the lead staff person for this effort, plus consultant expertise to support this analyst.

For support of the eight members of the Transportation Accountability Board, JLARC assumes it would need additional resources. Since one of the eight members is the State Auditor, JLARC assumes that all costs to support this person's participation in the TAB would be covered by the State Auditor's Office. For the other seven members, including the chair (inspector general), JLARC makes the following assumptions:

* An office for the Transportation Accountability Board, with a three-fourths time support staff person, including an office for the Board's chair. Start-up costs for equipping and furnishing these offices. On-going costs for rent, utilities, janitorial services, etc.

* Purchases of lap-tops for seven members and secretarial support of the TAB, together with telecommunications connections and network maintenance.

* Five meetings per year of the TAB, requiring 1 meeting day and 4 preparation days for board chair per meeting (5 days X five meetings = 25 days), and 1 meeting day and 2 preparation days for each of other six board members (3 days X 6 members X five meetings = 90 days). Total = 115 work days at $100 per day.

* Travel and per diem expenses for 7 TAB members, five times per year.

* Room rental and meeting expenses for five meetings per year.

* Retaining planners, consultants and other technical personnel by the Board, as called for in Section 104 (2) at an estimated cost of $30,000 per year.

COSTS ASSOCIATED WITH ALL THESE IMPACTS WOULD HAVE TO BE PROVIDED SEPARATELY, IN ADDITION TO JLARC's BIENNIAL APPROPRIATION.

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.

Fiscal Impacts are in two categories:

Direct Impact on JLARC. For its professional staff support to the Transportation Accountability Board, JLARC would recruit and hire a full-time transportation analyst to be the lead staff person for this effort.

Thus, JLARC estimates that it will take, at a minimum, 12 audit months per year at the rate of $12,500 per audit month or $150,000, plus expert consultants at $25,000 per year to support JLARC's staff efforts, bringing the total cost to $175,000 per year, beginning July 1, 2002 (FY 2003). This yields a total estimated cost of $875,000 for FY 2003 through FY 2007 for JLARC analyst support and expert consultant costs. (Note: JLARC calculates its staff resources in "Audit Months" to estimate the time and effort necessary to undertake and complete its studies. An "Audit Month" reflects a JLARC analyst's time for a month, together with related administrative, support, goods/services and supervisory costs. JLARC anticipated 2001-03 costs are calculated at $12,500 per audit month.)

JLARC Support to Transportation Accountability Board. Using the assumptions above about the office costs, workload for TAB members; frequency of meetings; travel and per diem; recurring costs associated with lease of office space, office equipment costs such as copier lease, communication line charges and network maintenance costs; plus $30,000 per year for planners, consultants and technical assistance for the Board, JLARC estimates costs at $170,500 for the first year (includes one-time expenditures associated with computer equipment for board members and secretarial support, and general office start-up costs such as furnishings/equipment), and $135,000 for each subsequent year FY 2004 – 2007 (or $540,00), for a total of $710,500 for FY 2003 through FY 2007

GRAND TOTAL: FOR BOTH JLARC DIRECT COSTS AND FOR SUPPORT COSTS TO THE TAB, JLARC ESTIMATES A TOTAL COST IMPACT OF $1,585,500 FOR FY 2003 THROUGH FY 2007.

JLARC WOULD NEED ADDITIONAL, DEDICATED FUNDING FOR THESE COSTS.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years		2.40	1.2	2.4	2.4
A-Salaries and Wages		141,205	141,205	282,410	282,410
B-Employee Benefits		31,996	31,996	63,992	63,992
C-Personal Service Contracts		55,000	55,000	110,000	110,000
E-Goods and Services		44,520	44,520	89,040	89,040
G-Travel		34,833	34,833	69,666	69,666
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Equipment		37,946	37,946	4,892	4,892
Total:	$0	$345,500	$345,500	$620,000	$620,000

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 2002	FY 2003	2001-03	2003-05	2005-07
Analyst (Includes Sr. level)	59,986		1.0	0.5	1.0	1.0
Secretarial Support (TAB)	37,285		0.8	0.4	0.8	0.8
Supervisory	93,276		0.2	0.1	0.2	0.2
Support (JLARC)	41,299		0.5	0.2	0.5	0.5
Total FTE's			2.4	1.2	2.5	2.5

Part IV: Capital Budget Impact

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

Revised

Bill Number: 2969 HB _STRIKING AMENDMENT	**Title:** Transportation	**Agency:** 085-Office of the Secretary of State	

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

FUND					
Total $					

Estimated Expenditures from:

	FY 2002	FY 2003	2001-03	2003-05	2005-07
Fund					
General Fund-State 001-1	5,515,000	0	5,515,000	0	0
Total $	5,515,000	0	5,515,000	0	0

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: 02/22/2002
Agency Preparation: Dalene Conant	Phone: 360-586-4553	Date: 02/26/2002
Agency Approval: Dan Speigle	Phone: 360-586-4455	Date: 02/26/2002
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 02/26/2002

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.

New section 601 (1) would require the secretary of state to submit this act to the people for adoption and ratification, or rejection, at a special election on or before June 20, 2002, in accordance with Article II, section 1 of the state Constitution.

New section 601 (4) would require the secretary of state to prepare and distribute a voters' pamphlet addressing this referendum.

New section 601 (7) would require the secretary of state to reimburse each county for the cost of conducting the special election in that county.

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.

Submitting this act to a vote of the people at a special state election results in expenses to the office of the secretary of state for producing a voters' pamphlet. Based on those functions in the 1997 stadium special election, it is estimated to produce a twenty-four page pamphlet would cost $515,000 (2,900,000 copies at $.0073975 per page).

Each county must be reimbursed for their share of conducting the special election. Based on the 2000 presidential primary, which was a single issue election, we estimate reimbursement for this special election would be $5,000,000. The bill does not require counties to run the special election by mail. We assumed the counties would run the election in the manner that is most cost efficient to them.

This fiscal note reflects only those costs related to the submission of this act to a vote of the people and not any general changes in revenue or expenditures by the state as a consequence of the substance of the measure. The costs identified in this fiscal note would be incurred regardless of whether or not it is approved by the voters.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services	515,000		515,000		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	5,000,000		5,000,000		
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	$5,515,000	$0	$5,515,000	$0	$0

Part IV: Capital Budget Impact

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 2969 HB _STRIKING AMENDMENT	Title: Transportation	Agency: 090-Office of State Treasurer

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

FUND	FY 2002	FY 2003	2001-03	2003-05	2005-07
General Fund-State 001-1		(94,000)	(94,000)	(188,000)	(188,000)
State Treasurer's Service Account-State 404-1		94,000	94,000	188,000	188,000
Total $					

Estimated Expenditures from:

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years	0.0	1.0	0.5	1.0	1.0
Fund					
State Treasurer's Service Account-State 404-1	0	94,000	94,000	188,000	188,000
Total $	0	94,000	94,000	188,000	188,000

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:

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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: 02/22/2002
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 02/28/2002
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 02/28/2002
OFM Review: Les Myhre	Phone: 360-902-0614	Date: 02/28/2002

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.

HB 2969 STRIKING AMENDMENT creates the freight mobility strategic investment account and new financing with long-term commitments.

Assumptions:
1. This bill will be adopted and ratified by the people.
2. OST will be the bank for the freight mobility strategic investment account and will invest the money instead of DOT. Language, that supports this assumption, submitted to Paul Neal for consideration to amend section 303.
3. Expenditures will be disbursed equally throughout the year.

General Fund and State Treasurer's Service Fund:
This bill creates new State Finance Committee financing with long-term commitments. Appropriation authority is requested for one FTE that includes salaries, benefits, goods and services, and travel. Goods and services include, but not limited to, one office, equipment, supplies, utilities, rent, insurance, facilities and services, training, audit services, legal services, and misc. If OST does not receive this FTE and related funding, then OST would be unable to perform the tasks associated with this bill. The money needed to fund this position in OST would come from the State Treasurer's Service Fund. In turn, the amount of funding from the State Treasurer's Service Fund will result in a reduction, by an equal amount, to the transfer from the State Treasurer's Service Fund to the General Fund at the end of each biennium.

Freight Mobility Strategic Investment Account Earnings:
The amount of earnings by an account is a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period in question. Accordingly, even with a beginning balance of zero, two accounts with the same overall level of receipts, disbursement, and transfers can have quite different average balances, and hence differing earnings.

The earnings from the freight mobility strategic investment account will be credited to:
1. 80% to the freight mobility strategic investment account
2. 20% to the General Fund

There will be an impact to the earnings; however, the actual earnings will be determined more by the impact to the average daily balance than the amount of increases or decreases in receipts, disbursements, and transfers. Currently, estimated earnings are indeterminable. Without projected monthly estimates of receipts, disbursements, and transfers, OST is unable to estimate the changes to the average balance of the account and the impact to earnings.

Based on the February 2002 Revenue Forecast, the net rate for estimating earnings for FY 03 is 2.70%. The rate used for FY 03 should also be used for subsequent fiscal years. Approximately $27,000 in FY 03 in net earnings would be gained or lost annually for every $1 million increase or decrease in average daily balance.

State Treasurer's Service Fund Earnings:
The earnings from the State Treasurer's Service Fund are credited to the General Fund. There will be a reduction to estimated earnings credited to the General Fund which is based on the assumption that expenditures associated with the new FTE will be disbursed equally throughout the year and will impact the State Treasurer's Service Fund average daily balance by an equal amount with no other actions.

Debt Limit:
There will be an impact on the Debt Service Limitation calculation. Any increase or decrease to the earnings credited to the General Fund will increase or decrease, by an equal amount, General State Revenues. Any decrease to the State Treasurer's Service Fund transfer to the General Fund will decrease, by an equal amount, General State Revenues.

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.

HB 2969 STRIKING AMENDMENT creates new financing with long-term commitments. Appropriation authority is requested for one FTE that includes salaries, benefits, goods and services, and travel. These expenditures from the State Treasurer's Service Fund will result in a reduction, by an equal amount, to the transfer from the State Treasurer's Service Fund to the General Fund at the end of each biennium.

In addition, the reduction to estimated earnings credited to the General Fund are based on the assumption that expenditures associated with the new FTE will be disbursed equally throughout the year and will impact the State Treasurer's Service Fund average daily balance by an equal amount with no other actions.

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 creates new financing with long-term commitments. Appropriation authority is requested for salaries, benefits, goods and services, and travel. Goods and services include, but not limited to, one office, equipment, supplies, utilities, rent, insurance, facilities and services, training, audit services, legal services, and misc.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years		1.00	0.5	1.0	1.0
A-Salaries and Wages		53,000	53,000	106,000	106,000
B-Employee Benefits		13,000	13,000	26,000	26,000
C-Personal Service Contracts					
E-Goods and Services		25,000	25,000	50,000	50,000
G-Travel		3,000	3,000	6,000	6,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	$0	$94,000	$94,000	$188,000	$188,000

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 2002	FY 2003	2001-03	2003-05	2005-07
Finance Officer - WMS	53,000		1.0	0.5	1.0	1.0
Total FTE's			1.0	0.5	1.0	1.0

Part IV: Capital Budget Impact

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 2969 HB _STRIKING AMENDMENT	**Title:** Transportation	**Agency:** 100-Office of Attorney General

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

FUND	FY 2002	FY 2003	2001-03	2003-05	2005-07
Legal Services Revolving Account-State 405-1		47,815	47,815	78,691	67,848
Total $		47,815	47,815	78,691	67,848

Estimated Expenditures from:

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years	0.0	4.2	2.1	2.7	0.2
Fund					
General Fund-State 001-1	0	956,701	956,701	1,111,045	0
Legal Services Revolving Account-State 405-1	0	47,815	47,815	78,691	67,848
Total $	0	1,004,516	1,004,516	1,189,736	67,848

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:

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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: 02/22/2002
Agency Preparation: Linda Moran	Phone: 360 753-2619	Date: 02/26/2002
Agency Approval: Steve Nielson	Phone: 360-753-2516	Date: 02/28/2002
OFM Review: Robin Campbell	Phone: 360-902-0575	Date: 02/28/2002

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.

The Transportation Accountability Board is established. The board's primary focus is on ensuring the efficient expenditure of additional revenues raised by the taxes authorized in the bill. The board consists of eight members: one nominated by the business community; one nominated by labor; one representing a statewide transportation advocacy organization; one with professional experience in financial auditing; one with professional experience in the development or delivery of large capital projects; one representing an environmental organization; one person who served on the Blue Ribbon Commission; and the State Auditor. Persons employed by or holding office in the following organizations are excluded from participation: transportation-related agencies; construction firms or trade associations with an interest in transportation projects or programs; or the state Legislature.

Staff support for the board is provided by the Joint Legislative Audit and Review Committee. The board will be responsible for monitoring the Department of Transportation's performance in delivering projects funded by the revenue authorized by this bill. The department is required to submit quarterly progress reports to the board after first allowing for review by the Transportation Commission. The board either accepts or rejects the report. Upon acceptance, the reports are forwarded to the transportation committees of the Legislature and to the Office of Financial Management.

The Attorney General is directed to monitor the price of fuel to determine whether any price increases occurring after the gas tax increases violate the provisions of the Consumer Protection Act. The monitoring is to take place between the effective date of the bill and July 1, 2004. The Attorney General is directed to report back to the Legislature by December 1, 2004.

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.

It is assumed that agencies requiring legal services advice will be billed and that they will pay.

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.

Fuel Monitoring:

The bill gives the Office of the Attorney General (AGO) duties under RCW 19.86 (see section 110) to monitor the prices of special and motor vehicle fuel through July 1, 2004 and then report out its findings to the legislative transportation committees by December 1, 2004. It also gives the AGO authority to concurrently prosecute criminal violations along with prosecutors. It is unclear why the AGO is given concurrent criminal jurisidiciton with the local prosecutors when there is no identification of potential criminal conduct. Estimation of work required to do the fuel monitoring and reporting really depends on what is required. There is no guidance in the proposed bill language as to what kind of monitoring and reporting might be required.

The Anti Trust Division of the AGO estimates that this will be a full-time job for two attorneys and two paralegals, plus the need for funding for a contracted economist. An investigator's time may also be needed in the amount of 0.1 FTE out of the Consumer Protection Division. This estimate is based on an approximation of the resources expended by the office on a similar study in 1989. If the bill provided more guidance as to the kind of monitoring and reporting desired we could refine this estimate. The AGO assumes it is being asked to monitor the price charged by every gasoline supplier at every level of distribution through out the state and determine if the prices appear reasonable. There are thousands of gas stations and dozens of dealers. While price information is available from third parties for a price, cost information to the sellers is proprietary.

It is difficult to estimate the number of inspections that will need to be performed. If we visited or concentrated on data based on one inspection per day, that would be about 260 per year. In a "normal" gas price-fixing case involving only two stations, it could take one attorney and one paralegal full-time for six months. If we found evidence of ten incidents of suspicious behavior, we'd quickly run out of staff.

Legal Advice:

We assume the AGO will provide legal advice for the Transportation Accountability Board otherwise supported by JLARC staff. Historically new boards take about .1 to .25 attorney FTE (to set up with advice on rulemaking, procedures, open public meetings, public records, etc.) and then maintain that amount or go up or down depending on workload.

Estimated staffing summary:

FY2003: 2.2 Attorney, 2.0 Paralegal
FY2004: 2.2 Attorney, 2.0 Paralegal
FY2005: 1.2 Attorney
FY2006: 0.2 Attorney
FY2007: 0.2 Attorney

Note: Attorney overhead is included in Goods and Services

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years		4.20	2.1	2.7	0.2
A-Salaries and Wages		247,536	247,536	336,096	14,760
B-Employee Benefits		54,458	54,458	73,941	3,248
C-Personal Service Contracts		500,000	500,000	500,000	
E-Goods and Services		129,188	129,188	186,224	27,830
G-Travel		57,934	57,934	76,103	21,352
J-Capital Outlays		15,400	15,400	17,372	658
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	$0	$1,004,516	$1,004,516	$1,189,736	$67,848

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 2002	FY 2003	2001-03	2003-05	2005-07
Attorney	73,800		2.2	1.1	1.7	0.2
Paralegal	42,588		2.0	1.0	1.0	
Total FTE's			4.2	2.1	2.7	0.2

Part IV: Capital Budget Impact

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.

Department of Revenue Fiscal Note

Bill Number: 2969 HB _STRIKING AMENDMENT	**Title:** Transportation	**Agency:** 140-Department of Revenue

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

FUND	FY 2002	FY 2003	2001-03	2003-05	2005-07
Multimodal Tran-State 01 - Taxes 01 - Retail Sales Tax		20,604,800	20,604,800	122,319,900	154,587,500
Total $		20,604,800	20,604,800	122,319,900	154,587,500

Estimated Expenditures from:

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years	0.0	1.6	0.8	1.3	0.8
Fund					
GF-STATE-State 001-1	0	109,400	109,400	172,500	106,200
Total $	0	109,400	109,400	172,500	106,200

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: 02/22/2002
Agency Preparation:	Don Taylor	Phone: 360-570-6083	Date: 02/28/2002
Agency Approval:	Mary Welsh	Phone: 570-6076	Date: 02/28/2002
OFM Review:	Doug Jenkins	Phone: 360-902-0563	Date: 02/28/2002

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 addresses the striking amendment to HB 2969 as contained in draft legislation H-4456.4/02.

This fiscal note reflects only the impact of Sections 401-402 of the bill which affect the Department of Revenue.

Section 401. Amends the basic state retail sales tax imposition statute to establish an additional tax on sales of motor vehicles. The additional tax on motor vehicles is effective on October 1, 2002 and the rate for the initial 12 months is 0.4 percent. Starting on October 1, 2003 the rate becomes 0.8 percent. Revenues from this tax are to be deposited in the state multimodal transportation account. Motor vehicles are defined as provided in RCW 46.04.320 to include self-propelled vehicles and electric trolleys or busses that do not run on rails.

Section 402. Corresponding amendment is made to the state use tax to specify that the use tax revenues from the additional tax on motor vehicles will also go to the multimodal transportation account.

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/DATA SOURCES

The definition of motor vehicle in RCW 46.04.320 merely says that a motor vehicle is a vehicle which is self-propelled; it provides no details on the specific types of vehicles which are intended to be included in the additional sales tax. Therefore, for purposes of the revenue estimate it is assumed that the definition of motor vehicles also references the definition of the term "vehicle" in RCW 46.04.670. This definition is very broad and would seem to cover virtually any type of vehicle. Thus, it is assumed that the additional sales tax will apply to any vehicles powered by a motor that are capable of being moved upon a public highway, including automobiles, trucks, busses, motorcycles, motor homes, and recreational vehicles (except campers and trailers).

The revenue estimate is based on the taxable retail sales reported by the following industrial groups according to their assigned category with the Standard Industrial Classification (SIC):

SIC 5511 Dealers of New and Used Vehicles
SIC 5521 Dealers of Used Vehicles Only
SIC 5561 Recreational Vehicle Dealers
SIC 5571 Motorcycle Dealers.

Taxable retail sales reported by the above dealers comprise all sales subject to retail sales tax, including sales of vehicles, sales of part and accessories, and repair services. Dealers do not breakdown their total sales to reflect only the sales of vehicles. For purposes of the fiscal estimate, the reported sales figures were adjusted to exclude sales of parts, accessories and repair services. Sales by recreational vehicle dealers were adjusted to reflect the estimated share of sales for only motorized units, excluding travel trailers and pick-up camper units.

All estimates were updated to reflect the February, 2002 revenue forecast. The growth rate for vehicle sales is assumed to be synonymous with the Forecast Council's projected growth in the overall state sales tax through fiscal year 2005. Subsequent growth rates are based on the historical average growth in taxable sales for motor vehicle dealers during the past decade.

It is assumed that the increased state tax on motor vehicles will result in no impact on existing state or local sales tax collections. However, it should be noted that the highest existing sales tax rate in Washington is currently 8.9% which is already among the highest in the nation. An additional 0.8% tax on motor vehicles will result in an even higher tax rate of 9.7%. There is a distinct possibility that such a tax rate could have the following results: (1) a disincentive to prospective vehicle purchasers, causing reduced levels of vehicle sales, and (2) increased tax avoidance by vehicle owners registering vehicles in other states. Not only would either of these factors jeopardize the revenues from the additional vehicle sales tax, but it would also result in some loss of existing state and local retail sales tax revenues. Neither of these possible effects is reflected in this fiscal note.

The additional tax would not apply to vehicles used in interstate commerce, as a result of RCW 82.08.0263. This is assumed to include most semi-type trucks and passenger busses which run between cities. However, the tax would apply to trucks and other types of vehicles used strictly on an intra-state basis, including logging trucks, local delivery vans, busses used in municipal transit systems, school busses, etc. To the extent that such vehicles might be purchased directly from manufacturers or wholesalers, other than retail dealers assigned to SIC 551 or 552, then these vehicles are not included in the revenue estimate for there is no good way to quantify such sales.

AUDIT ASSESSMENTS (Impact resulting from recent audit activity)

There is no impact relating to audits undertaken by the Department.

CURRENTLY REPORTING TAXPAYERS (Impact for taxpayers who are known or estimated to be currently paying the tax in question)

The additional tax on purchases of motor vehicles would generate cash receipts for the multimodal transportation account of $20,604,800 from the October 1, 2002 effective date through the end of the current biennium. Proceeds for the 2003-05 biennium are estimated at $122,319,900 as the tax rate phases up to the maximum 0.8% rate. During the 2005-07 biennium the tax receipts are estimated at $154,587,500.

Included in these estimates are the additional sales tax collected by retail dealers of new and used motor vehicles, as well as the additional use tax collected by the Dept. of Licensing and its collection agents on sales of vehicles between private parties and purchases from retail vendors located outside of the state.

TAXPAYERS NOT CURRENTLY REPORTING (Although some taxpayers may not now be paying the tax in question, some of them will become aware of their liability in the future, as a result of normal enforcement activities or education programs by the Department. The impact for such taxpayers is based on the Department's studies of average tax compliance)

All impacted taxpayers are presumed to be properly registered and reporting sales tax to the Department.

TOTAL REVENUE IMPACT:

State Government (cash basis, $000):

FY 2002	-	
FY 2003	-	$20,604.8
FY 2004	-	54,105.5
FY 2005	-	68,214.4
FY 2006	-	74,096.7
FY 2007	-	80,490.8

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

II. C - Expenditures

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

This bill would require the agency to modify the state Combined Excise Tax Return used by business to report and pay taxes. In addition the agency would have to modify computer programs to accommodate processing of the special sales and use taxes on motor vehicles imposed by sections 401 and 402 of the bill. This would require 0.2 FTE of an ITAS 4 during the period of July - October 2002.

Following the effective date of the new taxes, October 1, 2002, the agency would need additional personnel to provide information to new and used car dealers, to ensure that the new sales tax is implemented correctly for dealer sales, to work with the Department of Licensing's agents for the collection of use tax on private party sales, to audit businesses, and to provide for enforcement of use tax on vehicles purchased out of state by state residents. This additional effort equals 1.4 FTEs for FY 2003. Total first-year costs would be $109,400.

Auditing and enforcement efforts would continue through ensuing biennia. Total costs for the 2003-2005 biennium would be $172,500.

Without an appropriation, the Department would not be able to fully implement this bill.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years		1.60	0.8	1.3	0.8
A-		67,900	67,900	119,964	75,400
B-		17,700	17,700	31,200	19,600
E-		10,600	10,600	15,200	9,600
G-		400	400	3,000	1,600
J-		12,800	12,800	3,100	
Total $	$0	$109,400	$109,400	$172,464.00	$106,200

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 2002	FY 2003	2001-03	2003-05	2005-07
Info Tech Application Spec 4	51,864		0.2	0.1		
Revenue Agent 3	44,482		0.8	0.4	1.0	0.5
Revenue Auditor 3	45,592		0.3	0.1	0.3	0.3
Tax Service Rep 2	32,417		0.4	0.2		
Total FTE's			1.6	0.8	1.3	0.8

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

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

None.

Individual State Agency Fiscal Note

Bill Number: 2969 HB _STRIKING AMENDMENT	Title: Transportation	Agency: 240-Department of Licensing

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

FUND	FY 2002	FY 2003	2001-03	2003-05	2005-07
Motor Vehicle Account-State 108-1		32,748,866	32,748,866	383,185,391	450,053,966
FREIGHT MOBILITY STRAT. INVEST ACCT-State NEW-1		6,309,032	6,309,032	31,237,430	34,173,452
Total $		39,057,898	39,057,898	414,422,821	484,227,418

Estimated Expenditures from:

	FY 2002	FY 2003	2001-03	2003-05	2005-07
Fund					
Motor Vehicle Account-State 108-1	0	152,785	152,785	11,200	0
Total $	0	152,785	152,785	11,200	0

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: 02/22/2002
Agency Preparation: Sam Knutson	Phone: 360-902-3644	Date: 02/22/2002
Agency Approval: Larry Dzieza	Phone: 360-902-3633	Date: 02/27/2002
OFM Review: Garry Austin	Phone: 360-902-0564	Date: 02/27/2002

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.

See Attachment

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.

See Attachment

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.

See Attachment

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years					
A-Salaries & Wages					
B-Employee Benefits					
C-Personal Serv Contr		10,000	10,000	10,000	
E-Goods and Services		142,785	142,785	1,200	
G-Travel					
J-Capital Outlays					
M-Inter Agency Fund Transfers					
N-Grants, Benefits Services					
P-Debt Service					
S-Interagency Reimburesement					
T-Intra-Agency Reimbursement					
Total:	$0	$152,785	$152,785	$11,200	$0

-

III. C - Expenditures By Program (optional)

Program	FY 2002	FY 2003	2001-03	2003-05	2005-07
Mgmt & Support Services (100)		9,549	9,549	700	0.00
Information Services (200)		6,821	6,821	500	0.00
Vehicle Services (300)		136,415	136,415	10,000	0.00
Driver Services (600)					0.00
Business and Professions (700)					0.00
Total $		152,785	152,785	11,200	

Part IV: Capital Budget Impact

Part V: New Rule Making Required

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

Part II: Explanation

This legislation creates the new Transportation Accountability Board, increases the combined gross weight licensing fee on trucks, increases the tax per gallon of fuel, adds an additional tax on retail sale of a motor vehicle, and changes the transportation revenue distribution to various state and local funds**.**

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

Section 201(1) - Increases the combined gross weight fee. A new fee schedule is provided for all trucks over 12,000 pounds. The fee schedule is implemented over two years with the first increase effective on October 1, 2002 and the second on October 1, 2003.

Section 202 (1) (d) - Authorizes a portion of the gross weight fee collections to be deposited into the Freight Mobility Strategic Investment Account.

Section 301 (2) - Increases the current fuel tax from 23 cents per gallon to 27 cents per gallon starting on October 1, 2002.

Section 301 (3) – Increases the fuel tax to 31 cents per gallon on October 1, 2003.

Section 302 - Provides for the distribution of the new fuel tax revenues.

- Section 302(1)(c)(i) - Authorizes the current 23 cents collected from gasoline and all of the special fuel sales to be deposited into the Motor Vehicle Fund (MVF).
- Section 302(1)(c)(ii) - Provides that 75 percent of the additional four cents applied to the gasoline tax implemented in October 2002 will be deposited into the MVF. The remaining 25 percent (or 1/3 of a cent to each) will be deposited into the Transportation Improvement Account [Sec 302(1)(h)], to cities and towns [Sec 302(1)(i)], and to counties [Sec 302(1)(j)].
- Section 302(1)(c)(iii) - Provides that 100 percent of the additional four cents applied to the gasoline tax implemented in October 2003 will be deposited into the MVF.

Current law provides that the gasoline and special fuel taxes collections are deposited into the Motor Vehicle Fund and then transferred by the State Treasurer into other transportation accounts. This legislation provides for the new taxes from the 27 cents collected starting October 2002 and the 31 cents collected starting in October 2003 to also be distributed in the same percentages for the following accounts within the Motor Vehicle Fund:

-Special Category C Account [Sec 302(1)(d)]

-Puget Sound Ferry Operations Account [Sec 302(1)(e)]

-Puget Sound Capital Construction Account [Sec 302(1)(f)]

-Urban Arterial Trust Account [Sec 302(1)(g)]

-County Arterial Preservation Account [Sec 302(1)(k)]

-Rural Arterial Trust Account [Sec 302(1)(l)]

Section 303 - Creates the new Freight Mobility Strategic Investment Account.

Section 401 - Authorizes an increased retail sales tax on the sale of motor vehicles. This tax will be collected by the DOL but transferred directly to the Department of Revenue. The revenue will be reported in the Department of Revenue fiscal note.

Section 601 - Requires a special election by June 20, 2002 to ratify the new taxes imposed by this legislation.

Workload Indicator	FY 02	FY 03	01-03 Total	03-05 Total	05-07 Total
CLF Revenue		6,309,032	6,309,032	31,237,430	34,173,452
Propane License Fees		551,336	551,336	1,332,448	1,411,024

II. B – Cash Receipt Impact

The following assumptions were used to determine the revenue impacts of this bill:

- Motor fuel taxes are increased from twenty-three cents to twenty-seven cents per gallon effective October 1, 2002
- Motor fuel taxes are increased to thirty-one cents per gallon on October 1, 2003.
- The new fuel tax rates are also applies to sales of propane fuel with the revenues deposited into the MVF.
- Based on the revised fee schedules in the bill, combined gross weight fees increase on October 1, 2002 and then, again, on October 1, 2003

Fuel consumption estimates (gallons of fuel) and the number of trucks weighing 12,000 pounds or more are based on the November 2001 forecast approved by the Transportation Revenue Forecast Council.

An assumption is also made that consumer spending on gasoline will decline slightly as the price of fuel increases. The department used the Department of Transportation's fuel tax forecast model to estimate this impact on revenue collections.

Revenues collected by the Department of Licensing are deposited into the MVF. By statute specific percentages of this deposit is then transferred into several dedicated transportation accounts within the MVF. These transfers are not reflected in this fiscal note.

Cash Receipts	FY 02	FY 03	01-03 Total	03-05 Total	05-07 Total
GF- State	-	-	-	-	-
GF- Fed	-	-	-	-	-
Freight Mobility Strat. Invest Ac	-	6,309,032	6,309,032	31,237,430	34,173,452
Motor Vehicle Fund	-	32,748,866	32,748,866	383,185,391	450,053,966
	-	-	-	-	-
Total Revenue	-	39,057,898	39,057,898	414,422,821	484,227,418

II. C – Expenditures

Contract programmers (6.0 staff months) and related computer and communication equipment would be required for implementation of this bill to perform modification of the Vehicle Field System (VFS), Vehicle Headquarters System (VHS), Prorate and Fuel Tax System, and department revenue systems. All systems would be required to recognize the new taxes and fees, and new gross weight tables would need to be developed and implemented.

The Prorate and Fuel Tax data processing services systems would require modification to recognize the new fuel tax rates and changes in the propane annual fee and increase in gross weight fees. Two separate modifications will need to be made because of the two implementation dates (October 2002 and October 2003) specified in this bill. A sole source vendor for these systems has estimated that these modifications will cost $10,000.

This bill will also require printing and reproduction costs to update at least 20 pages (fee charts) of the 800 Vehicles Operating Guide. A minimum of three of these must be mailed to each of the 186 agent and subagent offices throughout the state. Costs for printing, postage, and envelopes are included.

Eight hours of Attorney General (OAG) costs will be required in Fiscal Year 2003 for legal advice regarding the adoption of new rules, as necessary. Each time the department modifies or creates a rule, the OAG must be consulted to review the rule change.

In addition to direct program costs, support services costs are included. The standard agency rate for cost of goods and services (supplies and materials, facilities, and training) are included for the Management and Support Services and Information Services programs.

Part III: Expenditure Detail

III. A – Expenditures by Object or Purpose

	FY 02	FY 03	01-03 Total	03-05 Total	05-07 Total
FTE Staff Years					
Salaries and Wages					
Employee Benefits					
Personal Service Contracts		10,000	10,000	10,000	
Goods and Services		142,785	142,785	1,200	
Travel					
Equipment					
Inter Agency Fund Transfers					
Grants and Subsidies					
Debt Service					
Interagency Reimbursement					
Intra-Agency Reimbursement					
Other					
Total		152,785	152,785	11,200	

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

Object E Breakdown:	FY 02	FY 03	01-03 Total	03-05 Total	05-07 Total
Postage		2,588	2,588		
Printing		738	738		
Phone/Fax Install		600	600		
Phone/Fax/DP Lines		912	912		
Attorney Gen Svcs		712	712		
Other Goods & Svcs		18,593	18,593	1,200	
Equipment - Under $5,000		15,286	15,286		
DP Cont Programmers		103,356	103,356		
Total Goods & Svcs		142,785	142,785	1,200	

III. A (2) – Detail of Expenditures by Fund

Additional information about assumptions and impacts is available directly from the Department of Licensing at 902-3633.

III. B – Expenditures by Program (optional)

Program	FY 02	FY 03	01-03 Total	03-05 Total	05-07 Total
100 - Mgmt & Support Services		9,549	9,549	700	
200 - Information Services		6,821	6,821	500	
300 - Vehicle Services		136,415	136,415	10,000	
600 - Driver Services					
700 - Business & Professions					
Total	-	152,785	152,785	11,200	-

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

Eight hours of Attorney General (OAG) costs will be required in Fiscal Year 2003 for legal advice regarding the adoption of new rules, as necessary.

Individual State Agency Fiscal Note

Bill Number: 2969 HB _STRIKING AMENDMENT	Title: Transportation	Agency: 405-Department of Transportation

Part I: Estimates

☒ **No Fiscal Impact**

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

Check applicable boxes and follow corresponding instructions:

☐ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:		Phone:	Date: 02/22/2002
Agency Preparation:	Eric Meale	Phone: 360.705.7942	Date: 02/25/2002
Agency Approval:	Rick Smith	Phone: 360-705-7150	Date: 02/25/2002
OFM Review:	Elise Greef	Phone: 360-902-0539	Date: 02/26/2002

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.

This legislation is a proposed striking amendment to House Bill 2969. The bill addresses transportation improvements and financing. Part I establishes a transportation accountability board and directs the Attorney General to monitor fuel prices for any violations of the consumer protection act. Part II increases the gross weight portion of the combined licensing fee by 20% for vehicles over 10,000 pounds of declared gross weight, effective October 1, 2002, and distributes the increased revenue to the newly created Freight Mobility Strategic Investment Account. Part III enacts an eight-cent-per-gallon increase in the statewide motor vehicle and special fuel tax, four cents on October 1, 2002, and four cents on October 1, 2003. Seven cents of the new revenue is distributed to the motor vehicle fund and the remaining one cent is distributed 1/3 each to the Transportation Improvement Account, cities, and counties. Part IV imposes a 0.8 percent increase in the sales tax on new and used motor vehicles, 0.4% on October 1, 2002, and 0.4% on October 1, 2003. Revenue from the sales tax increase is distributed to the Multimodal Fund. Part V authorizes $3.5 billion in bonds supported by the fuel tax. Part VI sets an election for June 20, 2002, for a public referendum on the proposed transportation tax increases.

Part I, Section 106 directs the Department of Transportation to prepare quarterly comprehensive audit reports on each transportation project funded by this legislation and submit these reports to the Transportation Commission. The Transportation Commisssion must review the audit reports and forward them to the Transportation Accountabiltiy Board.

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. Refer to the Department of Licensing and Department of Revenue fiscal notes for the cash receipts impacts on funds managed by the Department of Transportation.

II. C - Expenditures

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

The Department of Transportation currently reports quarterly to the legislature on the delivery of all capital programs, however, additional information will be needed in preparing the reports for the Transportation Accountability Board. Presently, the basic elements of project status, schedule and budget, are reported to the legislature. The enhanced information required by the Transportation Accountability Board would include information on change orders, additional detail on enviornmental permitting and mitigation, staff evaluation, and outlook for the coming year. With the recent and ongoing changes in program delivery accountability, the Department anticipates that the additional reporting required to fulfill its requirements under this bill could be accomplished with the current staffing. Therefore, the fiscal impact of this legislation on the Department of Transportation is estimated to be no fiscal impact.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 2969 HB _STRIKING AMENDMENT	Title: Transportation	Agency: 410-Transportation Commission

Part I: Estimates

☒ **No Fiscal Impact**

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

Check applicable boxes and follow corresponding instructions:

☐ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 02/22/2002
Agency Preparation: Shelly McGuire	Phone: 360-705-7072	Date: 02/25/2002
Agency Approval: Chris Rose	Phone: 705-7070	Date: 02/25/2002
OFM Review: Elise Greef	Phone: 360-902-0539	Date: 02/25/2002

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 107 of the legislation requires the Commission to review a proposed project audit report submitted by the Department; Section 108 of the legislation requires the Commission to forward the report to the Transportation Accountability Board.

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

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 Community, Trade and Economic Development

Bill Number: 2969 HB _STRIKING AMENDMENT	**Title:** Transportation

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

Legislation Impacts:

- [X] Cities:
- [X] Counties:
- [ ] Special Districts:
- [ ] Specific jurisdictions only:
- [ ] Variance occurs due to:

Part II: Estimates

- [ ] No fiscal impacts.
- [ ] Expenditures represent one-time costs:
- [ ] Legislation provides local option:
- [X] Key variables cannot be estimated with certainty at this time: This bill would require a state-wide vote on new transportation revenues. Figures below are based on an affirmative outcome.

Estimated revenue impacts to:

Jurisdiction	FY 2002	FY 2003	2001-03	2003-05	2005-07
City		6,443,833	6,443,833	20,355,764	21,262,103
County		16,254,791	16,254,791	71,393,847	77,686,361
Special District					
TOTAL $		22,698,624	22,698,624	91,749,611	98,948,464
GRAND TOTAL $					213,396,699

Estimated expenditure impacts to:

Jurisdiction	FY 2002	FY 2003	2001-03	2003-05	2005-07
City					
County					
Special District					
TOTAL $					
GRAND TOTAL $					0

Part III: Preparation and Approval

Fiscal Note Analyst: Catherine Suter	Phone: (360) 725-5032	Date: 02/24/2002
Leg. Committee Contact:	Phone:	Date: 02/22/2002
Agency Approval: Val Richey	Phone: 360-725-5036	Date: 03/04/2002
OFM Review: Mike Cheney	Phone: 360-902-0582	Date: 03/04/2002

Part IV: Analysis

A. SUMMARY OF BILL

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

This bill addresses transportation expenditure accountability and new transportation revenues.

Part I - Accountability for Transportation Projects and Programs would establish the Transportation Accountability Board to ensure the efficient expenditure of additional revenues raised by the taxes authorized in the bill. The board would consist of eight members and be supported by staff from the Joint Legislative Audit and Review Committee.

Part I would additionally direct the Attorney General to monitor the price of fuel between the effective date of the bill and July 1, 2004, to determine whether any price increases occurring after the gas tax increases violate the provisions of the Consumer Protection Act.

Part II - Combined Licensing Fee would amend the state combined licensing fee schedule and its distribution. A 20% increase in gross weight fees for trucks over 10,000 pounds would be phased in with two annual increases of 10 percent each on October 1, 2002, and October 1, 2003. Revenue from the increase would be distributed to the freight mobility strategic investment account, created in Part III of this bill, to be used by the Department of Transportation.

Part III - Fuel Tax would increase the state motor vehicle fuel and special fuel tax by 4¢ on October 1, 2002, and another 4¢ October 1, 2003. One-twelfth (1/12) of the new revenues from the first 4¢ increase, minus refunds and administrative costs, would go to cities and one-twelfth (1/12) to counties. None of the second increase would go to local government.

Part IV - Motor Vehicle Sales Tax would establish a 0.8% tax on the sale of new and used motor vehicles. The increase would be phased in with two annual increases of 0.4% each on October 1, 2002, and October 1, 2003. Revenue from the increase would be distributed to the state multimodal transportation account.

Part V - Bond Authorization would authorize the state transportation commission to issue up to $3.5 billion in bonds, supported by the new fuel tax revenues in this bill.

Part VI - Referendum would require a special election vote on this bill's content on June 20, 2002.

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.

No impact. The state would pay for the vote and for revenue collection. A list of transportation projects to be completed with the revenues from this bill has been distributed along with the bill, though is not included in the bill itself, and therefore is not considered in this note.

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.

If the vote is affirmative, cities and counties would realize additional revenues from state gas tax distributions of $93.4 million through FY 2007. In addition, counties' local option gas tax maximum would increase by $120 million. (Note: no county has successfully proposed a local option fuel tax to date.)

See attached table for assumptions and revenue details by county.

Notes:
- Figures are based on Department of Transportation (DOT) data and estimates.
- DOT and Department of Licensing (DOL) estimates show revenue losses for three state programs that offer grants to local governments. These losses are included in DOL's total estimates of revenue impact due to this bill's fuel tax increase. Per DOT, the Urban Arterial Trust account would lose $2.4 million through FY 2007, the County Arterial Preservation account would lose $631,863, and the Rural Arterial Trust account would lose $819,112.

Sources:
Department of Licensing
Association of Washington Cities
Department of Transportation

Maximum Potential Transportation Revenues from HB 2969 Striking Amendment
8¢ State Gas Tax Increase: Combined City and County Direct Distribution Increases

County	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		Totals		
& cities within county	Distribution	Local Option	Distribution	Local Option	Distribution	Local Option	Distribution	Local Option	Distribution	Local Option	Distribution	Local Option	Sum
Adams	$ 49,266	$ 40,277	$ 76,678	$ 95,435	$ 79,099	$ 110,729	$ 80,760	$ 112,548	$ 82,521	$ 114,511	$ 368,324	$ 473,498	$ 841,822
Asotin	$ 34,344	$ 28,077	$ 53,452	$ 66,528	$ 55,140	$ 77,189	$ 56,298	$ 78,457	$ 57,526	$ 79,826	$ 256,760	$ 330,078	$ 586,838
Benton	$ 337,178	$ 275,655	$ 524,782	$ 653,156	$ 541,353	$ 757,826	$ 552,718	$ 770,275	$ 564,774	$ 783,710	$ 2,520,805	$ 3,240,622	$ 5,761,427
Chelan	$ 160,702	$ 131,380	$ 250,117	$ 311,301	$ 258,014	$ 361,188	$ 263,431	$ 367,121	$ 269,177	$ 373,524	$ 1,201,442	$ 1,544,514	$ 2,745,956
Clallam	$ 160,880	$ 131,525	$ 250,393	$ 311,645	$ 258,300	$ 361,587	$ 263,723	$ 367,527	$ 269,475	$ 373,937	$ 1,202,770	$ 1,546,222	$ 2,748,993
Clark	$ 691,141	$ 565,033	$ 1,075,690	$ 1,338,828	$ 1,109,657	$ 1,553,380	$ 1,132,953	$ 1,578,897	$ 1,157,665	$ 1,606,435	$ 5,167,106	$ 6,642,575	$ 11,809,681
Columbia	$ 5,793	$ 4,736	$ 9,016	$ 11,221	$ 9,300	$ 13,019	$ 9,496	$ 13,233	$ 9,703	$ 13,464	$ 43,307	$ 55,674	$ 98,981
Cowlitz	$ 246,759	$ 201,735	$ 384,056	$ 478,005	$ 396,183	$ 554,606	$ 404,501	$ 563,717	$ 413,323	$ 573,549	$ 1,844,822	$ 2,371,612	$ 4,216,434
Douglas	$ 57,409	$ 46,934	$ 89,352	$ 111,209	$ 92,173	$ 129,031	$ 94,108	$ 131,151	$ 96,161	$ 133,438	$ 429,204	$ 551,763	$ 980,967
Ferry	$ 9,622	$ 7,866	$ 14,976	$ 18,639	$ 15,448	$ 21,626	$ 15,773	$ 21,981	$ 16,117	$ 22,365	$ 71,936	$ 92,477	$ 164,413
Franklin	$ 182,233	$ 148,982	$ 283,627	$ 353,009	$ 292,583	$ 409,580	$ 298,726	$ 416,308	$ 305,241	$ 423,569	$ 1,362,410	$ 1,751,447	$ 3,113,857
Garfield	$ 5,522	$ 4,515	$ 8,595	$ 10,698	$ 8,866	$ 12,412	$ 9,053	$ 12,616	$ 9,250	$ 12,836	$ 41,286	$ 53,076	$ 94,362
Grant	$ 187,884	$ 153,602	$ 292,422	$ 363,955	$ 301,655	$ 422,280	$ 307,988	$ 429,216	$ 314,706	$ 436,702	$ 1,404,655	$ 1,805,755	$ 3,210,410
Grays Harbor	$ 162,604	$ 132,935	$ 253,076	$ 314,985	$ 261,068	$ 365,462	$ 266,549	$ 371,465	$ 272,362	$ 377,944	$ 1,215,659	$ 1,562,791	$ 2,778,450
Island	$ 77,494	$ 63,354	$ 120,612	$ 150,116	$ 124,420	$ 174,173	$ 127,032	$ 177,034	$ 129,803	$ 180,121	$ 579,361	$ 744,798	$ 1,324,160
Jefferson	$ 79,801	$ 65,240	$ 124,202	$ 154,584	$ 128,123	$ 179,357	$ 130,813	$ 182,303	$ 133,666	$ 185,482	$ 596,605	$ 766,966	$ 1,363,571
King	$ 3,559,347	$ 2,909,898	$ 5,539,759	$ 6,894,909	$ 5,714,684	$ 7,999,842	$ 5,834,660	$ 8,131,254	$ 5,961,923	$ 8,273,074	$ 26,610,373	$ 34,208,976	$ 60,819,349
Kitsap	$ 428,011	$ 349,914	$ 666,155	$ 829,111	$ 687,189	$ 961,979	$ 701,616	$ 977,781	$ 716,920	$ 994,835	$ 3,199,891	$ 4,113,621	$ 7,313,511
Kittitas	$ 104,348	$ 85,308	$ 162,407	$ 202,136	$ 167,535	$ 234,529	$ 171,053	$ 238,381	$ 174,784	$ 242,539	$ 780,127	$ 1,002,893	$ 1,783,020
Klickitat	$ 49,277	$ 40,285	$ 76,694	$ 95,455	$ 79,116	$ 110,752	$ 80,777	$ 112,571	$ 82,538	$ 114,535	$ 368,401	$ 473,598	$ 841,999
Lewis	$ 165,149	$ 135,016	$ 257,038	$ 319,915	$ 265,154	$ 371,183	$ 270,721	$ 377,280	$ 276,626	$ 383,861	$ 1,234,689	$ 1,587,255	$ 2,821,944
Lincoln	$ 24,770	$ 20,250	$ 38,552	$ 47,982	$ 39,769	$ 55,671	$ 40,604	$ 56,586	$ 41,489	$ 57,573	$ 185,183	$ 238,062	$ 423,246
Mason	$ 89,933	$ 73,524	$ 139,972	$ 174,212	$ 144,391	$ 202,130	$ 147,423	$ 205,450	$ 150,638	$ 209,033	$ 672,357	$ 864,349	$ 1,536,706
Okanogan	$ 106,550	$ 87,109	$ 165,835	$ 206,402	$ 171,071	$ 239,478	$ 174,663	$ 243,412	$ 178,472	$ 247,658	$ 796,592	$ 1,024,059	$ 1,820,650
Pacific	$ 43,643	$ 35,680	$ 67,926	$ 84,542	$ 70,071	$ 98,090	$ 71,542	$ 99,702	$ 73,102	$ 101,440	$ 326,284	$ 419,454	$ 745,738
Pend Oreille	$ 14,922	$ 12,199	$ 23,225	$ 28,906	$ 23,958	$ 33,538	$ 24,461	$ 34,089	$ 24,994	$ 34,684	$ 111,560	$ 143,416	$ 254,975
Pierce	$ 1,489,276	$ 1,217,539	$ 2,317,906	$ 2,884,918	$ 2,391,097	$ 3,347,236	$ 2,441,297	$ 3,402,221	$ 2,494,545	$ 3,461,560	$ 11,134,121	$ 14,313,474	$ 25,447,595
San Jaun	$ 15,499	$ 12,671	$ 24,123	$ 30,024	$ 24,885	$ 34,836	$ 25,407	$ 35,408	$ 25,962	$ 36,026	$ 115,877	$ 148,965	$ 264,842
Skagit	$ 322,896	$ 263,980	$ 502,555	$ 625,491	$ 518,424	$ 725,728	$ 529,308	$ 737,649	$ 540,852	$ 750,515	$ 2,414,034	$ 3,103,363	$ 5,517,397
Skamania	$ 11,770	$ 9,623	$ 18,319	$ 22,800	$ 18,897	$ 26,454	$ 19,294	$ 26,889	$ 19,715	$ 27,358	$ 87,996	$ 113,123	$ 201,119
Snohomish	$ 1,114,003	$ 910,739	$ 1,733,831	$ 2,157,966	$ 1,788,579	$ 2,503,787	$ 1,826,129	$ 2,544,916	$ 1,865,960	$ 2,589,303	$ 8,328,503	$ 10,706,710	$ 19,035,213
Spokane	$ 888,911	$ 726,718	$ 1,383,499	$ 1,721,934	$ 1,427,185	$ 1,997,880	$ 1,457,148	$ 2,030,699	$ 1,488,930	$ 2,066,117	$ 6,645,673	$ 8,543,348	$ 15,189,020
Stevens	$ 65,065	$ 53,193	$ 101,268	$ 126,040	$ 104,465	$ 146,238	$ 106,658	$ 148,641	$ 108,985	$ 151,233	$ 486,442	$ 625,345	$ 1,111,787
Thurston	$ 427,912	$ 349,834	$ 666,001	$ 828,919	$ 687,030	$ 961,757	$ 701,454	$ 977,555	$ 716,754	$ 994,605	$ 3,199,151	$ 4,112,670	$ 7,311,821
Wahkiakum	$ 4,894	$ 4,001	$ 7,617	$ 9,480	$ 7,858	$ 11,000	$ 8,023	$ 11,180	$ 8,198	$ 11,375	$ 36,589	$ 47,037	$ 83,625
Walla Walla	$ 82,424	$ 67,385	$ 128,285	$ 159,667	$ 132,336	$ 185,254	$ 135,114	$ 188,297	$ 138,061	$ 191,581	$ 616,221	$ 792,183	$ 1,408,405
Whatcom	$ 551,768	$ 451,091	$ 858,770	$ 1,068,844	$ 885,887	$ 1,240,130	$ 904,485	$ 1,260,502	$ 924,213	$ 1,282,487	$ 4,125,123	$ 5,303,054	$ 9,428,177
Whitman	$ 66,927	$ 54,715	$ 104,165	$ 129,646	$ 107,454	$ 150,422	$ 109,710	$ 152,893	$ 112,103	$ 155,560	$ 500,358	$ 643,235	$ 1,143,593
Yakima	$ 412,744	$ 337,433	$ 642,393	$ 799,537	$ 662,678	$ 927,666	$ 676,590	$ 942,904	$ 691,348	$ 959,350	$ 3,085,753	$ 3,966,890	$ 7,052,643
Totals	$ 12,488,672	$ 10,209,952	$ 19,437,338	$ 24,192,150	$ 20,051,098	$ 28,069,025	$ 20,472,057	$ 28,530,111	$ 20,918,583	$ 29,027,713	$ 93,367,748	$ 120,028,950	$ 213,396,698

Sources/Assumptions
Projected state-wide sales of fuel, in gallons, are from DOT and account for a price elasticity of .025. Proportions sold in each county are the 1994-1998 average proportions, per AWC.
State tax distribution estimates assume that the additional tax on diesel fuel is distributed the same way as the additional tax on gasoline.
The figures for any one county include potential revenue for that county and for the cities in the county.