

Multiple Agency Fiscal Note Summary

Bill Number: 5620 S SB	Title: Transp. network companies
-------------------------------	---

Estimated Cash Receipts

Agency Name	2017-19		2019-21		2021-23	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Department of Licensing	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Total \$	0	0	0	0	0	0

Estimated Expenditures

Agency Name	2017-19			2019-21			2021-23		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Department of Licensing	.3	0	116,600	.2	0	40,400	.2	0	40,400
Total	0.3	\$0	\$116,600	0.2	\$0	\$40,400	0.2	\$0	\$40,400

Local Gov. Courts *									
Loc School dist-SPI									
Local Gov. Other **	Fiscal note not available								
Local Gov. Total									

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: Jim Albert, OFM	Phone: (360) 902-0419	Date Published: Preliminary 2/27/2017
-------------------------------------	---------------------------------	---

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

** See local government fiscal note

FNPID: 47970

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 5620 S SB	Title: Transp. network companies	Agency: 090-Office of State Treasurer
-------------------------------	---	--

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: 02/23/2017
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 02/23/2017
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 02/23/2017
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 02/23/2017

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.

SSB 5620 creates the transportation network company account and allows the account to retain its earnings from investments.

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.

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable. Earnings for an account are a function of the average daily balance of the account and the earnings rate of the investment portfolio. Two accounts with the same overall level of receipts, disbursements, and transfers can have different average daily balances, and hence different earnings. Based on the November 2016 revenue forecast, assume approximately \$6,800 in FY 18, \$16,800 in FY 19, \$26,800 in FY 20 and \$29,300 in FY 21 in net earnings would be gained or lost annually for every \$1 million shift in average daily cash balances.

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

III. A - Expenditures by Object Or Purpose

NONE

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: 5620 S SB	Title: Transp. network companies	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:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.3	0.3	0.3	0.2	0.2
Account					
Motor Vehicle Account-State 108-1	85,500	31,100	116,600	40,400	40,400
Total \$	85,500	31,100	116,600	40,400	40,400

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: 02/23/2017
Agency Preparation: Sieng Bonham	Phone: 360-902-3932	Date: 02/27/2017
Agency Approval: Dan Weeks	Phone: (360) 902-0147	Date: 02/27/2017
OFM Review: Jim Albert	Phone: (360) 902-0419	Date: 02/27/2017

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.

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

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.3	0.3	0.3	0.2	0.2
A-Salaries and Wages	17,100	17,100	34,200	22,200	22,200
B-Employee Benefits	6,400	6,400	12,800	8,400	8,400
E-Goods and Other Services	62,000	7,600	69,600	9,800	9,800
Total:	\$85,500	\$31,100	\$116,600	\$40,400	\$40,400

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 2018	FY 2019	2017-19	2019-21	2021-23
Auditor 3	4,208	0.1	0.1	0.1	0.1	0.1
Licensing Services Manager 1	5,001	0.2	0.2	0.2	0.1	0.1
Total FTE's	9,209	0.3	0.3	0.3	0.2	0.2

III. C - Expenditures By Program (optional)

Program	FY 2018	FY 2019	2017-19	2019-21	2021-23
Mgmt & Support Services (100)	5,300	1,900	7,200	2,600	2,600
Information Services (200)	52,400	1,400	53,800	1,800	1,800
Business and Professions (700)	27,800	27,800	55,600	36,000	36,000
Total \$	85,500	31,100	116,600	40,400	40,400

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

Agency 240 – Department of Licensing

Bill Number: 5620 SSB

Bill Title: Transportation network companies

Part 1: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures:

	FY 18	FY 19	17-19 Total	19-21 Total	21-23 Total
FTE Staff Years	0.3	0.3	0.3	0.2	0.2

Account Name	Account	FY 18	FY 19	17-19 Total	19-21 Total	21-23 Total
Motor Vehicle	108	85,500	31,100	116,600	40,400	40,400
Account Totals		85,500	31,100	116,600	40,400	40,400

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

Legislative Request: David Dula	Phone: 360-902-7437	Date: 2/23/2017
Agency Preparation: Sieng Bonham	Phone: 360-902-3932	Date: 2/27/2017
Agency Approval: Diamatris Winston/Jennifer Clawson	Phone: 360-902-3644	Date: 2/27/2017

Request #	3
Bill #	5620 SSB

Part 2 – Explanation

Substitute Version Effect:

This bill requires Department of Licensing (DOL) to create a permit for Transportation Network Companies (TNC) and requires an inspection of records at least annually. TNCs to pay a \$5,000 annual permit fee.

Section 18: Cities with over 500,000 people and counties with more than 1 million people (*Seattle/King County*):

- May review TNCs no more than bi-annually for compliance; and
- Required to assess an additional \$0.10 per ride surcharge fee to offset costs associated with improving transportation options for people with disabilities.

2.A – Brief Description on what the measure does and how it has a fiscal impact

In addition to the annual permit fee, prearranged rides will be assessed a 10-cent surcharge fee to cover the costs of enforcement and regulation with the monies deposited into the new Transportation Network Company account. While DOL must retain a portion of the 10-cent surcharge to cover costs of implementation of the program and regulation, remaining surcharge fees must be distributed proportionally to each municipality or county where a trip originated.

2.B - Cash Receipt Impact

Indeterminate. In all likelihood, only a few companies would be required to obtain a TNC permit. However, it is not known how many trips there would be overall or at the level of trips by municipality or county. Such information is likely proprietary to the TNCs in addition to not being available for this analysis.

The addition \$0.10 per ride surcharge fee applicable to cities with over 500,000 people and counties with more than 1 million people (*Seattle/King County*) is indeterminate on revenue impact. It is not known how many trips will occur in *Seattle/King County* to determine the surcharge revenue.

2.C – Expenditures

Account Name	Account	FY 18	FY 19	17-19 Total	19-21 Total	21-23 Total
Motor Vehicle	108	85,500	31,100	116,600	40,400	40,400
Account Totals		85,500	31,100	116,600	40,400	40,400

Starting in FY18 and on-going, 0.1 FTE for an Auditor 3 is needed to coordinate, investigate and conduct program compliance audits, along with travel cost.

Starting in FY18 through FY19, 0.2 FTE for a Licensing Services Manager 1 is needed to provide initial startup support, oversight to the daily operations, and reporting requirements. FY20 and on-going 0.1 FTE will be needed for daily operation and reporting requirements.

Standard FTE goods and services (object E) costs are included on Table 3.A.1. Standard FTE costs do not include objects EM (AG services), ER (contractual services), and EZ (indirect) which are also shown in Table 3.A.1.

Information Services:

What IS will implement:

- New endorsement type
- Interface testing that includes the new endorsement

The agency will use appropriated funds to hire contract programmers to accomplish this work or to support current staff implementing this legislation within the required timeline. Appropriated funds may also be used to hire agency temporary staff to support permanent staff assigned to this legislative effort.

Cost Category	Description	Rate	2018	2019	2020	2021	2022	2023	Total Cost
TESTER	Test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	18,444	5,500	-	-	-	-	-	5,500
BUSINESS ANALYST	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	26,448	2,600	-	-	-	-	-	2,600
PROJECT MANAGER	Manage schedule and contracts	27,492	2,700	-	-	-	-	-	2,700
QUALITY ASSURANCE	Plan and carry out activities to assure project deliverables; e.g. preventative defect activities, align quality measures and business objectives.	31,668	19,000	-	-	-	-	-	19,000
SECURITY AND ARCHITECT SERVICES	Create the conceptual model that defines the structure, behavior and framework of a computerized system including a breakdown of the system into components, the component interactions and interfaces (including with the environment, especially the user), and the technologies and resources to be used in the design.	27,144	2,700	-	-	-	-	-	2,700
CONTRACTED FAST DEVELOPER / TESTER	Updates to the DRIVES system will require additional vendor hours outside of the contracted maintenance to make system updates to implement this bill.	39,150	11,700	-	-	-	-	-	11,700
Project Contingency	Office of the Chief Information Officer designated rate of 10%	-	4,400	-	-	-	-	-	4,400
Totals			48,600	-	-	-	-	-	48,600

Administrative support is included at a rate of 12 percent of the direct program costs, captured in object EZ. This percentage is split 7 percent for Management and Support Services (MSS) and 5 percent for Information Services Division (ISD) functions.

Administrative support funding received covers agency-wide functions such as vendor payments, contract administration, financial management, mail processing, equipment management, help desk support, and technical assistance to DOL employees.

Part 3 – Expenditure Detail

3.A – Expenditures by Object or Purpose

Object Name	FY 18	FY 19	17-19 Total	19-21 Total	21-23 Total
FTE Staff Years	0.3	0.3	0.3	0.2	0.2
Salaries and Wages	17,100	17,100	34,200	22,200	22,200
Employee Benefits	6,400	6,400	12,800	8,400	8,400
Goods and Services	62,000	7,600	69,600	9,800	9,800
Total By Object Type	85,500	31,100	116,600	40,400	40,400

3.A.1 – Detail of Expenditures by Sub-Object (Goods and Services Only)

Object E - Description	FY 18	FY 19	17-19 Total	19-21 Total	21-23 Total
EA - General Office Supplies	300	300	600	400	400
EB - Phone/Install/Usage	200	200	400	200	200
ED - Facility/Lease Costs	1,700	1,700	3,400	2,200	2,200
EG - Training	200	200	400	200	200
EK - Facilities and Services	400	400	800	400	400
EL - Interagency DP Svcs	800	800	1,600	1,000	1,000
EN - Personnel Services	100	100	200	-	-
ER - Other Contract Costs	100	100	200	200	200
ER - Application Programmers	48,600	-	48,600	-	-
EY - Software Maintenance	500	500	1,000	800	800
EZ - Indirect Costs	9,100	3,300	12,400	4,400	4,400
Total Goods & Services	62,000	7,600	69,600	9,800	9,800

3.B – FTE Detail

Position	Salary	FY 18	FY 19	17-19 Total	19-21 Total	21-23 Total
Auditor 3	4,208	0.1	0.1	0.1	0.1	0.1
Licensing Services Manager 1	5,001	0.2	0.2	0.2	0.1	0.1
Total FTE		0.3	0.3	0.3	0.2	0.2

3.C – Expenditures by Program (Optional)

Program	FY 18	FY 19	17-19 Total	19-21 Total	21-23 Total
100 - Mgmt & Support Services	5,300	1,900	7,200	2,600	2,600
200 - Information Services	52,400	1,400	53,800	1,800	1,800
700 - Business & Professions	27,800	27,800	55,600	36,000	36,000
Totals by Program	85,500	31,100	116,600	40,400	40,400

Part 4 – Capital Budget Impact

None.

Part 5 – New Rule Making Required

None.