

Multiple Agency Fiscal Note Summary

Bill Number: 2133 S HB	Title: Rural food & forest products
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Estimated Cash Receipts

NONE

Estimated Expenditures

Agency Name	2017-19			2019-21			2021-23		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Health	.1	19,000	19,000	.1	36,000	36,000	.1	36,000	36,000
Department of Ecology	.2	0	62,880	1.4	0	485,485	1.4	0	375,054
Department of Fish and Wildlife	.0	9,500	9,500	.1	16,000	16,000	.1	16,000	16,000
Department of Agriculture	.2	86,700	86,700	.3	73,400	73,400	.3	73,400	73,400
Total	0.5	\$115,200	\$178,080	1.9	\$125,400	\$610,885	1.9	\$125,400	\$500,454

Local Gov. Courts *									
Loc School dist-SPI									
Local Gov. Other **	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Impact

NONE

Prepared by: Leslie Connelly, OFM	Phone: (360) 902-0543	Date Published: Final 2/ 5/2018
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

Individual State Agency Fiscal Note

Bill Number: 2133 S HB	Title: Rural food & forest products	Agency: 103-Department of Commerce
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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: Dan Jones	Phone: 360-786-7118	Date: 01/29/2018
Agency Preparation: Lea Ford	Phone: 360-725-2911	Date: 02/02/2018
Agency Approval: Martin McMurry	Phone: 360-725-2710	Date: 02/02/2018
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 02/03/2018

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.

Differences between the substitute bill and the original bill:

The date in subsection 2(6) has been changed from July 1, 2022, which was included in the original bill, to July 1, 2023.

The date in subsection 3(1)(b) has been changed from May 1, 2018, which was included in the original bill, to May 1, 2019.

Narrative:

The proposed legislation would add an additional funding priority to the Community Economic Revitalization Board's (CERB) authorizing statute.

Section 6(2)(h)(vii) – Requires CERB to prioritize projects that meet the long-term sustainability of local agriculture, aquaculture, fisheries, and silviculture and associated with food and forest product processing activities.

II. B - Cash receipts Impact

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

None

II. C - Expenditures

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

The prioritization of projects that emphasize food and forest products is already part of the normal operating procedures within CERB's existing activities. Projects are funded on a first come, first served basis and an additional funding priority would not impact current workloads or include additional unscheduled activities.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

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

None

Individual State Agency Fiscal Note

Bill Number: 2133 S HB	Title: Rural food & forest products	Agency: 303-Department of Health
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.0	0.1	0.1	0.1	0.1
Account					
General Fund-State 001-1	0	19,000	19,000	36,000	36,000
Total \$	0	19,000	19,000	36,000	36,000

Estimated Capital Budget Impact:

NONE

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.

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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: Dan Jones	Phone: 360-786-7118	Date: 01/29/2018
Agency Preparation: Jodine Sorrell	Phone: (360) 236-3015	Date: 02/01/2018
Agency Approval: Ryan Black	Phone: (360) 236-4530	Date: 02/01/2018
OFM Review: Bryce Andersen	Phone: (360) 902-0580	Date: 02/02/2018

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 fiscal note on the SHB version differs from our last fiscal note on the HB version with a minor shift in timing of work, based on the due dates in the bill being pushed forward by a year, and the lead agency assumptions about the timing of the work.

Section 2: Requires the Department of Agriculture (WSDA) to establish a pilot program to create an omnibus permitting process for businesses that process or engage in raw products of agriculture, including shellfish and cottage food products. The pilot project must consolidate the application process for environmental, land use, and public health permits. WSDA must coordinate with the Department of Health (DOH) and other agencies responsible for issuing each permit included in the omnibus permit.

II. B - Cash receipts Impact

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

None.

II. C - Expenditures

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

Section 2: WSDA and DOH assume that a task force of all affected agencies, including DOH, would be formed to develop the pilot omnibus permit application. At least eight hours per month of meeting time between July 2018 and February 2019 will be required, followed by four hours per month from April 2019 through June 2023 to continue evaluating permit application process for other business categories prior to the required legislative report due July 1, 2023.

WSDA further assumes that affected agencies, including DOH, will incur costs during this same time period (besides meeting costs) associated with gathering information, developing presentation materials for the workgroup, and making operational improvements identified by the workgroup.

Total estimated costs for meetings, gathering information, developing presentation materials, and making operational improvements, including \$5,000 for 40 hours of Office of the Attorney General time in fiscal year (FY) 2019 is: 0.1 FTE and \$19,000; FY 2020 ongoing through FY 2023, 0.1 and \$18,000.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years		0.1	0.1	0.1	0.1
A-Salaries and Wages		10,000	10,000	24,000	24,000
B-Employee Benefits		3,000	3,000	8,000	8,000
E-Goods and Other Services		6,000	6,000	2,000	2,000
M-Inter Agency/Fund Transfers					
P-Debt Service					
T-Intra-Agency Reimbursements				2,000	2,000
9-					
Total:	\$0	\$19,000	\$19,000	\$36,000	\$36,000

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 2018	FY 2019	2017-19	2019-21	2021-23
PUBLIC HEALTH ADVISOR 4	72,744		0.1	0.0	0.1	0.1
WMS02	100,344		0.1	0.0	0.0	0.0
Total FTE's	173,088		0.1	0.1	0.1	0.1

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: 2133 S HB	Title: Rural food & forest products	Agency: 461-Department of Ecology
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.0	0.4	0.2	1.4	1.4
Account					
State Toxics Control Account-State 173-1	0	44,446	44,446	439,400	338,186
Water Quality Permit Account-State 176-1	0	18,434	18,434	46,085	36,868
Total \$	0	62,880	62,880	485,485	375,054

Estimated Capital Budget Impact:

NONE

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: Dan Jones	Phone: 360-786-7118	Date: 01/29/2018
Agency Preparation: Garret Ward	Phone: 360-407-7544	Date: 02/05/2018
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 02/05/2018
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 02/05/2018

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 substitute differs from the original bill by moving the deadlines to establish, initiate, and report on the implementation of the pilot omnibus permitting program up by one year. The substitute also changes the deadline for the Department of Ecology (Ecology) to complete its analysis of common value-added food and forest product manufacturing solid wastes and to adopt a rule to exempt certain solid wastes from May 1, 2018, to May 1, 2019.

Under current law, RCW 70.95.205 and RCW 70.95.300, the Department of Ecology (Ecology) is authorized to exempt a solid waste, by rule, from permitting requirements for one or more beneficial uses including use as soil amendments. Currently, there are solid wastes exempt from permitting requirements under WAC 173-350-200, beneficial use permit exemptions.

Under current law, Chapter 90.48 RCW, Ecology has jurisdiction to control and prevent the pollution of the waters of the state. RCW 90.48.260 authorizes Ecology to establish and administer a comprehensive state point source waste discharge program, the National Pollutant Discharge Elimination System (NPDES) permit program. Ecology uses the issuance and administration of wastewater and stormwater discharge permits to help protect the waters of the state.

Section 2(1) would require the Washington State Department of Agriculture (WSDA) to establish a pilot program to create by January 1, 2020, an omnibus permitting process for value-adding businesses that process raw forest and food products.

Section 2(2) would require the omnibus permit application process to include Ecology water discharge permits issued under chapter 90.48 RCW; air emissions permits issued under chapter 70.94 RCW; and solid waste permits issued under chapter 70.95 RCW.

Shoreline substantial development permits (SDPs) issued by local governments under chapter 90.58 RCW would also be included, along with other food and building permits associated with other agencies. [Please note: Ecology assumes this permit application process would not involve any changes to standards. Therefore, Ecology would not be directly involved in the application process for the SDPs because local governments issue these permits. We assume work related to these permits would not have any fiscal impact on Ecology.]

Section 2(3)(c) would require WSDA to model the omnibus permit program implementation on the coordinated permit process open to projects of statewide significance under chapter 43.42 RCW. This process is administered by the Office of Regulatory Innovation and Assistance (ORIA).

Section 2(4) would require the WSDA to initiate the pilot omnibus permitting program by July 1, 2019.

Section 3(1)(b)(i) would require Ecology, by May 1, 2019, to undertake a comprehensive analysis of common value-added food and forest product manufacturing processes that generate wastes. It would also require Ecology to consult with the Department of Natural Resources (DNR) and WSDA in identifying common food and forest product production processes and their associated wastes, including wastes from the processing of raw aquaculture and agriculture products.

Section 3(1)(b)(ii) would require Ecology to adopt a rule, by May 1, 2019, to exempt the solid wastes identified in 3(1)(b)(i) from permitting requirements of chapter 70.95 RCW for one or more beneficial uses or as waste-derived soil amendments.

Section 5(1)(j) would require Ecology when making grants or loans for water pollution control facilities to consider whether the project will support the viability of local agriculture, aquaculture, fisheries, or silviculture, and associated food or forest product processing. This change would have no fiscal impact, as Ecology regularly considers and incorporates new criteria into its grant application and scoring methodology each cycle. If this bill were enacted, Ecology would incorporate this new consideration into our current process and workload.

II. B - Cash receipts Impact

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

None

II. C - Expenditures

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

Please note: It might not be possible for Ecology to meet the May 1, 2019, deadline in section 3(1)(b). The Administrative Procedures Act requires Ecology to conduct certain processes prior to rule adoption, which would take longer to perform. However, to be responsive, we are estimating costs that would be required based on a longer timeline, consistent with the Washington Department of Agriculture's (WSDA) lead agency assumptions.

SECTION 2 IMPACTS:

Sections 2(1) and 2(2) would require the WSDA to establish the omnibus permit application process by January 1, 2020, which would include three types of Ecology permits: water discharge permits, air emissions permits, and solid waste permits.

Section 2(4) would require the WSDA to initiate the pilot omnibus permitting program by July 1, 2019.

WSDA's lead agency assumptions provide that a task force, including Ecology, would meet at least eight hours per month from July 2018 through February 2019, to develop one new omnibus application process for one business category. The task force would continue to meet approximately 4 hours per month from July 2019 through June 2023. WSDA assumes each participating agency would incur costs outside of meetings associated with information gathering, developing presentation materials for the workgroup, or making operational improvements identified by the workgroup.

Ecology assumes its technical experts would be required to sit on the task force, attend meetings to evaluate permit application processes, perform peer review work and contribute to writing the omnibus permit application process relating to Ecology's permits. In addition to these costs, Ecology would have costs associated with information gathering and developing presentation materials for the workgroup. Ecology estimates this effort would require 0.10 FTE of an Environmental Engineer 5 (EE5) to provide water quality permit expertise, 0.10 FTE of an EE5 to provide air emissions permit expertise, 0.10 FTE of an Environmental Planner 5 (EP5) to provide solid waste permit expertise in FY19. In FY20, this effort would also require 0.20 FTE of an EE5 and

0.05 FTE of an EP5 to continue work.

Based on the results of the pilot program in section 2(2), the WSDA assumes the task force would continue to meet to evaluate permit application process for other business categories. Ecology assumes the same staff would continue to participate on the task force. Ecology estimates the following efforts would be required: 0.10 FTE of an EE5 and 0.05 FTE of an EP5 in FY 20, and 0.20 FTE of an EE5 and 0.1 FTE of an EP5 in FY21, FY22, and FY23, each year.

Section 2 impacts would be funded 26 percent from the Water Quality Permit Account and 74 percent from the State Toxics Control Account, based on the predominant fund sources used by the affected programs.

Summary: Section 2 would require: 0.2 FTE of an EE5 and 0.10 FTE of an EP5 in FY19 (\$62,880), 0.3 FTE of an EE5 and 0.1 FTE of an EP5 in FY20 (\$171,316), 0.2 FTE of an EE5 and 0.1 FTE of an EP5 (\$52,880), each year, in FY21, FY22, and FY23.

Please note: The expenditures assumed for section 2 of the bill, and shown in the expenditure table of this fiscal note, are limited to the fiscal impact estimated based on WSDA's lead agency assumptions.

WSDA's lead agency assumptions focus the work associated with section 2 of the bill on developing the pilot permitting program. They do not address the potential costs of implementing a consolidated application process. Therefore the following two scenarios are being described narratively in order to show the potential range of fiscal impact associated with implementation. Since the scope and focus of the pilot permit is unknown, implementation costs are indeterminate. They could range from \$0.00 to \$264,892 in the first year of the program and up to \$63,419 in ongoing costs starting in year two, depending on how the program was implemented.

If the program were modeled after the current process administered by the Office of Regulatory Innovation and Assistance (ORIA), fiscal impact to Ecology for implementation would be minimal to none, because Ecology already participates in the ORIA process. Otherwise, if implementation of the program involved a single, consolidated application that would encompass water quality permits, the costs would be far greater due to the fact that Ecology would have to comply with federal regulations related to permit modifications and data reporting to EPA. If implementation costs could not be absorbed, Ecology would make a future budget request to cover them.

SECTION 3 IMPACTS:

Section 3(1)(b) would require Ecology to 1) undertake a comprehensive analysis of common value-added food and forest product manufacturing processes that generate wastes, 2) consult with DNR and the WSDA in identifying common food and forest product production processes and their associated wastes, and include wastes from the processing of raw aquaculture and agriculture products, and 3) adopt a rule to exempt the newly identified solid wastes from permitting requirements of Chapter 70.95 RCW by May 1, 2019. (Ecology could not meet this deadline due to the assumed lack of expenditure authority and the lead time required.)

Ecology assumes a stakeholder process including DNR, WSDA, counties, and industries would be necessary to identify common food and forest products. Ecology further assumes hiring a facilitator to run four stakeholder meetings and assist with preparing a report of the process and findings would be most advantageous since there may be disagreements on which products to exempt. Based on the commingled recycling workgroup experience, Ecology estimates this would cost \$10,000 in FY 19 shown in Personal Service Contracts.

Once the list of products has been identified, Ecology would hire a consultant to conduct a comprehensive analysis, since it doesn't have the expertise to perform this task in-house. Based on other studies performed in the past related to solid wastes, Ecology estimates the study would cost \$100,000 in FY 20 (shown in Personal Service Contracts), which would include travel, site visits, analysis, and a final report.

Ecology assumes 10 to 15 types of business categories would be exempt by rule. Each category would need a specific set of criteria in rule. Based on experience with other rule updates, Ecology assumes the rule-making process would take two years, starting in FY 21, and that AAG support would not be required because the bill language is clear on what business categories would be exempt. In the current business practice, Ecology generally sends a draft rule to the AGO for review before submitting it to the Code Reviser Office, which takes an average of less than 5 hours. Ecology assumes it would conduct a stakeholder process, apply criteria and administer the process. This effort would require 1.0 FTE of an EP5 in FY 21 and FY 22. Ecology further assumes having a technical expert on the administrative procedures act and a rule administrator involved would be necessary to ensure that we follow the process appropriately. Ecology estimates 0.10 FTE of an EP5 would be required in FY 21 and FY 22 for these purposes. Ecology further assumes efforts of a facilities expert, communications consultant, and an agency rule development unit are required to 1) meet with industries to evaluate the wastes generated, quantity and characteristics of the wastes, 2) be involved in public meetings and make press releases, and 3) perform economic analysis and guide the program through the rule-making process. Ecology estimates the following additional efforts would be required for a successful rule-making process: 0.05 FTE of an ES5, 0.10 FTE of a Communications Consultant 5, 0.25 FTE ES5 and 0.25 FTE Economic Analyst 3 (EA3) in FY 21 and FY 22.

Section 3 costs are estimated 100% from the State Toxics Control Account. Section 3 would require: \$10,000 in contracted services in FY19 and \$100,000 in contracted services in FY20. It would also require 1.1 FTE of an EP5, 0.3 FTE of and ES5, 0.1 FTE of a CC5, and 0.25 FTE of an EA3 in both FY21 and FY22 (\$269,294 each year).

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 37% of salaries.

Personal Service Contracts are \$10,000 for meeting facilitation in FY19 and \$100,000 for a study in FY20.

Goods and Services are the agency average of \$4,477 per direct program FTE.

Travel is the agency average of \$2,552 per direct program FTE.

Equipment is the agency average of \$1,265 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.35% of direct program salaries and benefits, and is shown as object 9. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT Specialist 2.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years		0.4	0.2	1.4	1.4
A-Salaries and Wages		28,435	28,435	206,294	200,642
B-Employee Benefits		10,522	10,522	76,331	74,240
C-Professional Service Contracts		10,000	10,000	100,000	
E-Goods and Other Services		1,344	1,344	10,747	10,523
G-Travel		765	765	6,126	5,996
J-Capital Outlays		381	381	3,037	2,976
9-Agency Administrative Overhead		11,433	11,433	82,950	80,677
Total:	\$0	\$62,880	\$62,880	\$485,485	\$375,054

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
COMM CONSULTANT 5	79,553				0.1	0.1
ECONOMIC ANALYST 3	77,618				0.1	0.1
ENVIRONMENTAL ENGINEER 5	99,342		0.2	0.1	0.3	0.2
ENVIRONMENTAL PLANNER 5	85,671		0.1	0.1	0.6	0.7
ENVIRONMENTAL SPEC 5	73,910				0.2	0.2
FISCAL ANALYST 2			0.0	0.0	0.1	0.1
IT SPECIALIST 2			0.0	0.0	0.1	0.1
Total FTE's	416,094		0.4	0.2	1.4	1.4

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

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

Section 3(1)(b)(ii) would require Ecology to adopt a rule to exempt the solid wastes identified in 3(1)(b)(i) from permitting requirements of chapter 70.95 RCW for one or more beneficial uses or as waste-derived soil amendments.

Individual State Agency Fiscal Note

Bill Number: 2133 S HB	Title: Rural food & forest products	Agency: 477-Department of Fish and Wildlife
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.0	0.1	0.0	0.1	0.1
Account					
General Fund-State 001-1	0	9,500	9,500	16,000	16,000
Total \$	0	9,500	9,500	16,000	16,000

Estimated Capital Budget Impact:

NONE

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.

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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: Dan Jones	Phone: 360-786-7118	Date: 01/29/2018
Agency Preparation: Brandon Bean	Phone: 3609028307	Date: 02/01/2018
Agency Approval: Owen Rowe	Phone: (360) 902-2204	Date: 02/01/2018
OFM Review: Leslie Connelly	Phone: (360) 902-0543	Date: 02/01/2018

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 2 directs the Department of Agriculture (Agriculture) to establish a pilot program to consolidate the application process for environmental, land use, and public health permits commonly required of food-oriented or forest product-oriented businesses that are issued by state and local governments for facility siting, operations, or both. Of the listed permits included in the omnibus permit application process are Hydraulic Project Approval Permits issued under chapter 77.55 RCW and permitted by the Department of Fish and Wildlife.

Section 2(3)(a) directs Agriculture to coordinate with the Office of Regulatory Assistance and the state agencies and local governments responsible for issuing each permit included in the omnibus permit.

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. There are no fees for Hydraulic Project Approval Permits.

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 Agriculture (Agriculture) as lead agency assumes at least 8 hours per month of meeting time in FY19 (July 2018-February 2019) to develop one new omnibus application process for one business category.

Based on the results of the pilot program, meetings may continue to evaluate permit application process for other business categories. Agriculture anticipates meeting commitments of approximately 4 hours per month from April 2019 through June 2023 when the legislative report is due. All participating agencies will incur costs outside of meetings associated with information gathering, developing presentation materials for the workgroup, or making operational improvements identified by the workgroup. These costs are highly variable depending on the degree of project success.

An Environmental Planner 5 from the Hydraulic Approval Permit Program will attend these meetings. As per the lead agency assumptions meetings will begin in FY19 and continue through FY23.

The first fiscal year of meetings (FY19) are assumed to be 8 hours each month between July 2018 and February 2019 (7 meetings * 8hours =56 hours), and 4 hours each month between April 2019 and July 2019 (3 meetings * 4 hours = 12 hours). Meetings from FY20 to FY23 are estimated as 4 hours per month. Meeting preparation and support time is estimated as equal to the number of meeting hours. A final report to the legislature is due by July 1, 2023.

Object E includes \$5,400 per FTE, per fiscal year for WDFW standard costs, covering an average employee's supplies, communications, training, and subscription costs. An infrastructure and program support rate of 32.46% is included in Object T, and is calculated based on WDFW's federally approved indirect rate.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years		0.1	0.0	0.1	0.1
A-Salaries and Wages		5,100	5,100	8,400	8,400
B-Employee Benefits		1,800	1,800	3,000	3,000
C-Professional Service Contracts					
E-Goods and Other Services		300	300	600	600
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		2,300	2,300	4,000	4,000
9-					
Total:	\$0	\$9,500	\$9,500	\$16,000	\$16,000

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 2018	FY 2019	2017-19	2019-21	2021-23
ENVIRONMENTAL PLANNER 5	84,831		0.1	0.0	0.1	0.1
Total FTE's	84,831		0.1	0.0	0.1	0.1

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.

The bill does not require a change in permitting requirements for participants to acquire Hydraulic Permit Approvals, therefore it is assumed new rulemaking will not be required.

Individual State Agency Fiscal Note

Bill Number: 2133 S HB	Title: Rural food & forest products	Agency: 495-Department of Agriculture
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.1	0.3	0.2	0.3	0.3
Account					
General Fund-State 001-1	0	86,700	86,700	73,400	73,400
Total \$	0	86,700	86,700	73,400	73,400

Estimated Capital Budget Impact:

NONE

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: Dan Jones	Phone: 360-786-7118	Date: 01/29/2018
Agency Preparation: Natasha Roberts	Phone: (360) 902-1988	Date: 02/01/2018
Agency Approval: Natasha Roberts	Phone: (360) 902-1988	Date: 02/01/2018
OFM Review: Leslie Connelly	Phone: (360) 902-0543	Date: 02/01/2018

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 2 of House Bill 2133 adds a new section to chapter 15.04 requiring the Washington State Department of Agriculture (WSDA) to establish a pilot program to create an omnibus permit application for businesses that process or engage in multiple value-added activities.

The WSDA must initiate the pilot omnibus permit application by selecting at least one county and category of food, forest, agriculture, aquaculture, or fisheries product for which the omnibus permit application will be available by July 1, 2019 and establish a pilot program by January 1, 2020. The WSDA would continue to facilitate the addition of permits to the omnibus application process and prepare the required legislative report due by July 1, 2023.

Depending on the outcome of the pilot program the WSDA will determine the implantation expenditures after the completion of the legislative report. If additional resources are required to implement the process, they will be requested through the existing budgeting process.

II. B - Cash receipts Impact

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

No additional fees may be collected to implement this pilot program so there is no cash receipt impact to the WSDA.

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 expenditure impact to the WSDA would be for .25 FTE of project manager time to:

1. Develop and advertise for a third-party facilitator contract to bring all the affected agencies or organization together to develop the pilot project omnibus permit application
2. Coordinate the on-going work of the task force to add more permits to the omnibus application process.
3. Facilitate the completion of the required report back to the legislature in before July 1, 2023.
4. Participate in the work of the task force.

WSDA estimates the third-party facilitator contract to be \$50,000 for facilitation and record keeping of twelve biweekly meetings for six months.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.1	0.3	0.2	0.3	0.3
A-Salaries and Wages		20,700	20,700	41,400	41,400
B-Employee Benefits		7,500	7,500	15,000	15,000
C-Professional Service Contracts		50,000	50,000		
E-Goods and Other Services		3,200	3,200	6,400	6,400
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Agency Overhead		5,300	5,300	10,600	10,600
Total:	\$0	\$86,700	\$86,700	\$73,400	\$73,400

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
Natural Resource Specialist 4	80,304	0.1	0.3	0.2	0.3	0.3
Total FTE's	80,304	0.1	0.3	0.2	0.3	0.3

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

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

This proposed legislation required no new rulemaking for the WSDA.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 2133 S HB	Title: Rural food & forest products
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☒ Cities: Costs of amending comprehensive plans and rezoning jurisdictions to meet innovative zoning technique requirements
- ☒ Counties: See above
- ☐ Special Districts:
- ☒ Specific jurisdictions only: One or more counties selected for the omnibus pilot program would have costs associated with designing and implementing it
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☐ Key variables cannot be estimated with certainty at this time: The number of local governments that would have to revise their comprehensive plans

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Indeterminate Impact

Part III: Preparation and Approval

Fiscal Note Analyst: Austin Scharff	Phone: 360-725-3126	Date: 02/05/2018
Leg. Committee Contact: Dan Jones	Phone: 360-786-7118	Date: 01/29/2018
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/05/2018
OFM Review: Leslie Connelly	Phone: (360) 902-0543	Date: 02/05/2018

Part IV: Analysis

A. SUMMARY OF BILL

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

CHANGES FROM PRIOR BILL:

The date that the Dept. of Agriculture must submit a report to the legislature regarding the implementation of the pilot program was changed from July 1, 2022, to July 1, 2023. The date that the Dept. of Agriculture must take action on issues related to solid waste management was changed from May 1, 2018, to May 1, 2019.

SUMMARY OF THIS BILL:

This legislation intends to encourage the economic vitality of rural food and forest products.

Sections of this legislation that could affect local government expenditures or revenues include:

SECTION 2:

The Dept. of Agriculture must establish a pilot program to create an omnibus permitting process for businesses that process or engage in other value-added activities that involve agriculture, food, or forest products. Local governments responsible for issuing omnibus permits would work with the Office of Regulatory Assistance and other state agencies to design a new omnibus permitting process.

The Dept. of Agriculture may initially limit the scope and scale of the program, but must seek to eventually incorporate as many products and areas within the program as feasible. By July 1, 2019, the Dept. of Agriculture must initiate the pilot omnibus permitting program by selecting at least one county and category of food, forest, agriculture, aquaculture, or fisheries product for which the omnibus permitting process would be available. The Dept. of Agriculture would not be able to charge an additional fee for this omnibus permitting process.

SECTION 4:

This section mandates that a county or a city use a variety of innovative zoning techniques in areas designated as agricultural lands of long-term commercial significance.

This section also removes a prohibition on non-agricultural uses of areas designated as agricultural lands and areas of long-term commercial significance. This legislation would allow non-agricultural accessory uses and activities, including new buildings, parking, or supportive uses, to be located on more than one acre of agricultural land.

B. SUMMARY OF EXPENDITURE IMPACTS

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

This legislation would result in indeterminate impacts on local government expenditures. Additional costs would vary based on the scope of the rules and/or guidelines about innovative zoning techniques which local governments would be required to comply with, the number of local governments that would not be in compliance with these rules and/or guidelines, the administrative costs of amending comprehensive plans, and the associated costs for rezoning jurisdictions to comply with this piece of legislation. Local governments would also incur costs associated with coordinating with the Office of Regulatory Assistance and other state agencies when establishing the omnibus permit pilot program.

ESTIMATED COSTS OF COMPREHENSIVE PLANS:

The Local Government Fiscal Note Staff estimates that updating a comprehensive plan, zoning code, or development regulation, including public notice and hearing, is a significantly complex process, costing as much as \$29,656 in staff and indirect costs, according to one study from 2015 (Olympia). As the scope of policy changes and processes may vary across jurisdictions, the overall costs of this process are indeterminate.

ESTIMATED COSTS OF ESTABLISHING THE OMNIBUS PERMIT PROGRAM:

The Dept. of Agriculture assumes that two counties would send both a planner and an assistant planner to an eight-hour meeting every month between July 2018 and February 2019 in Olympia. The Dept. of Agriculture assumes that additional meetings would take place between April 2019 and June 2023 for four hours per month in Olympia. For illustrative purposes, the Local Government Fiscal Note Program assumes that it will take 10 hours of staff time to prepare for each meeting. The Local Government Fiscal Note Program also assumes that King and Pierce—the largest counties measured by food processing industry gross sales and employment—would be selected to participate in the program. Based on these assumptions, the Local Government Fiscal Note Program estimates the costs of establishing the pilot program to be \$106,977. ((8 hours per meeting + 10 hours of prep time per meeting) x eight meetings between July 2018 and

February 2019 x ((\$34 per hour salary of a planner + \$28 for an assistant planner) x 2 planners and assistant planners)) + ((4 hour meetings + 10 hour prep time) x (51 meetings between April 2019 to June 2023) x ((\$34 per hour salary for a planner and \$28 per hour assistant planner) x 2 planners and assistant planners)) = \$106,977.

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.

This legislation would have no impact on government revenues.

SOURCES:

Dept. of Agriculture

Dept. of Ecology

Dept. of Commerce Growth Management Services

Washington State Association of Counties

American Planning Association, Washington Chapter