

Multiple Agency Fiscal Note Summary

Bill Number: 1991 HB	Title: Digital license plates
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Washington State Patrol	.0	7,200	358,500	.0	0	0	.0	0	0
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Department of Corrections	.0	0	0	.0	0	0	.0	0	0
Department of Transportation	Fiscal note not available								
Total \$	0.0	7,200	358,500	0.0	0	0	0.0	0	0

Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Washington State Patrol	.0	0	0	.0	0	0	.0	0	0
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Department of Corrections	.0	0	0	.0	0	0	.0	0	0
Department of Transportation	Fiscal note not available								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

Prepared by: Veronica Jarvis, OFM	Phone: (360) 902-0649	Date Published: Preliminary 2/27/2019
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 56708

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 1991 HB	Title: Digital license plates	Agency: 225-Washington State Patrol
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
Account					
General Fund-State 001-1	7,200	0	7,200	0	0
State Patrol Highway Account-State 081-1	351,300	0	351,300	0	0
Total \$	358,500	0	358,500	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:

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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: Tricia Hasan	Phone: 360-786-7292	Date: 02/13/2019
Agency Preparation: Kendra Sanford	Phone: 360-596-4080	Date: 02/20/2019
Agency Approval: Walter Hamilton	Phone: 360-596-4046	Date: 02/20/2019
OFM Review: Erik Hansen	Phone: 360-902-0423	Date: 02/21/2019

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 bill allows the Department of Licensing (DOL) to set standards and approve the use of digital license plates.

There will be a fiscal impact to the Washington State Patrol (WSP) as our license plate readers will either need to be updated or replaced to scan digital license plates.

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.

Currently, we use license plate readers (LPRs) that are capable to scan metal license plates for ferry system security, assist with AMBER/Silver alerts, locating stolen vehicles, locating witnesses/victim of violent crimes, locating wanted subjects, and license fraud investigations. Current technology does not offer a camera that can read both a metal license plate and a digital license plate. We will have to install an extra LPR next to current ones to read a digital license plate.

We currently have 17 LPRs in our ferry terminals. If we were to add 17 LPRs that can read digital license plates, then it would be an estimated \$278,600. This includes the camera, camera mount, software license, and reading software. We currently have five LPRs in the field force, especially to assist in southwest Washington for license fraud investigations. These cannot read digital license plates, therefore we will need to purchase five additional LPRs to assist with license fraud investigations. This will be an estimated \$45,800.

Indirect costs also apply. Indirect costs are based on our negotiated federal rate of 27.69%. We calculate this rate on all categories of expenditures except capitalized equipment and contracted services over \$25,000. The rate represents the agency's administrative support costs associated with this bill. Support costs include, but are not limited to, items such as computer and telecommunications support; payroll processing; vendor payments; contract administration; ordering, accounting for and distribution of supplies; and human resource services.

The funding allocation for this estimate is based on the results of the Joint Legislative Audit and Review Committee (JLARC) cost allocation model approved by both the Transportation and the Omnibus Budget Committees in the 2018 Supplemental Budget. The model analyzes costs and relevant activities (hours, transactions, type of enforcement, etc.) of the WSP divisions funded by two or more sources to ensure a consistent and fair use of state resources.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	7,200	0	7,200	0	0
081-1	State Patrol Highway Account	State	351,300	0	351,300	0	0
Total \$			358,500	0	358,500	0	0

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services	123,000		123,000		
G-Travel					
J-Capital Outlays	201,400		201,400		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Indirect Costs	34,100		34,100		
Total \$	358,500	0	358,500	0	0

Part IV: Capital Budget Impact

NONE

None.

Part V: New Rule Making Required

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

None.

Individual State Agency Fiscal Note

Bill Number: 1991 HB	Title: Digital license plates	Agency: 240-Department of Licensing
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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: Tricia Hasan	Phone: 360-786-7292	Date: 02/13/2019
Agency Preparation: Merdan Bazarov	Phone: 360-902-3795	Date: 02/15/2019
Agency Approval: Justin Leppa	Phone: 360-902-3644	Date: 02/15/2019
OFM Review: Veronica Jarvis	Phone: (360) 902-0649	Date: 02/19/2019

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 bill authorizes the use of digital license plates in Washington State by registered vehicle owners.

Section 1 amends RCW 46. 16A.200, allowing the Department of Licensing (DOL) to authorize the use of digital license plates and additionally establishes requirements of the plates.

Because DOL will continue to issue two metal license plates to the individuals who may choose to additionally purchase a digital license plate from an approved vendor, DOL assumes no changes to current processes. Therefore, there is no fiscal impact anticipated by this legislation.

It is possible that DOL may receive additional phone calls from customers which can be handled within the existing resources.

The effective date is 90 days past Sine Die.

No impact to cash receipts.

The individuals who choose to additionally purchase a digital license plate would still be required to have the appropriate vehicle registration, therefore, DOL assumes no revenue impact with this legislation.

DOL will amend relevant rules as necessary. There is no additional fiscal impact assumed with this 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.

II. C - Expenditures

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

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1991 HB	Title: Digital license plates	Agency: 310-Department of Corrections
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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: Tricia Hasan	Phone: 360-786-7292	Date: 02/13/2019
Agency Preparation: Seth Nickerson	Phone: 360-725-8346	Date: 02/18/2019
Agency Approval: Michael Steenhout	Phone: 360-725-8270	Date: 02/18/2019
OFM Review: Trisha Newport	Phone: (360) 902-0417	Date: 02/19/2019

Part II: Narrative Explanation

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

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

Section 1 is amended to state the director may approve the use of digital license plates, although the Department of Licensing (DOL) will still issue two metal plates.

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.

We assume this bill will have no fiscal impact to the Department of Corrections (DOC) as DOL will continue to issue two metal license plates.

Assumptions:

- 1) The DOC and DOL are interpreting this bill as authorizing vehicle owners to use digital plates on the rear of their vehicle.
- 2) The DOL will continue to issue two metal license plates to these vehicle owners and the owner is still required to pay all applicable vehicle registration fees.
- 3) The DOL will not be purchasing any digital license plates from DOC and as such DOC will not need to purchase new equipment for the production of digital license plates.
- 4) Those choosing to purchase a digital license plate will purchase through a private vendor.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

None.

Part V: New Rule Making Required

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

None.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1991 HB	Title: Digital license plates
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☐ Cities:
- ☐ 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:
- ☐ Key variables cannot be estimated with certainty at this time:

Part III: Preparation and Approval

Fiscal Note Analyst: Nicole Carmichael	Phone: 360-725-5036	Date: 02/21/2019
Leg. Committee Contact: Tricia Hasan	Phone: 360-786-7292	Date: 02/13/2019
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/21/2019
OFM Review: Erik Hansen	Phone: 360-902-0423	Date: 02/21/2019

Part IV: Analysis

A. SUMMARY OF BILL

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

Section 1 would amend RCW 46.16A.200 to give the Department of Licensing (DOL) the authority to approve the use of digital license plates. If DOL chooses to approve, the digital license plate designs must be consistent with the plate design issued to the customer by the department. They must a) be visible at all times, b) have letters and numbers that are readable from 100 feet away, c) be visible at night and not obstruct other lights on the vehicle and d) have a feature that tracks the vehicle’s location and telemetry, but can be turned on and off.

Section 2 defines “digital license plates.”

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 de minimis expenditure impacts for local government. It is unknown how many motorists would take advantage of digital license plates.

In other states that have passed similar legislation, customers can purchase digital license plates for between \$500 and \$800, with a \$7 monthly subscription fee. We assume this revenue goes solely to the private company selling the plates, Reviver Auto.

The location feature of the digital license plate has the potential to assist law enforcement officers. However, this feature can also be turned off so this impact is indeterminate and expected to be de minimis.

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 result in no revenue impacts for local governments.

SOURCES

Washington State Association of Counties