

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 2042 S HB	<b>Title:</b> Green transportation (PROPOSED SUB)
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## Estimated Cash Receipts

Agency Name	2019-21		2021-23		2023-25	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Revenue	(28,468,000)	(29,688,000)	(30,210,000)	(31,542,000)	(33,490,000)	(34,910,000)
Department of Licensing	Non-zero but indeterminate cost and/or savings. Please see discussion.					
<b>Total \$</b>	<b>(28,468,000)</b>	<b>(29,688,000)</b>	<b>(30,210,000)</b>	<b>(31,542,000)</b>	<b>(33,490,000)</b>	<b>(34,910,000)</b>

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

## Estimated Operating Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Commerce	Fiscal note not available								
Department of Revenue	.8	240,900	240,900	.3	46,500	46,500	.2	28,400	28,400
Utilities and Transportation Commission	.4	0	124,957	.2	0	38,796	.1	0	33,114
Department of Licensing	1.7	0	406,500	1.5	0	344,800	1.5	0	344,800
Washington State University	.9	375,723	375,723	1.0	396,945	396,945	1.0	402,322	402,322
Department of Transportation	Fiscal note not available								
Department of Ecology	Fiscal note not available								
<b>Total \$</b>	<b>3.8</b>	<b>616,623</b>	<b>1,148,080</b>	<b>3.0</b>	<b>443,445</b>	<b>827,041</b>	<b>2.8</b>	<b>430,722</b>	<b>808,636</b>

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

## Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	Fiscal note not available								
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Utilities and Transportation Commission	.0	0	0	.0	0	0	.0	0	0
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Washington State University	.0	0	0	.0	0	0	.0	0	0
Department of Transportation	Fiscal note not available								
Department of Ecology	Fiscal note not available								
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

Estimated Capital Budget Breakout

NONE

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# Department of Revenue Fiscal Note

<b>Bill Number:</b> 2042 S HB	<b>Title:</b> Green transportation (PROPOSED SUB)	<b>Agency:</b> 140-Department of Revenue
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## Part I: Estimates



No Fiscal Impact

### Estimated Cash Receipts to:

Account	FY 2020	FY 2021	2019-21	2021-23	2023-25
GF-STATE-State 01 - Taxes 01 - Retail Sales Tax	(12,621,000)	(15,847,000)	(28,468,000)	(28,544,000)	(30,450,000)
GF-STATE-State 01 - Taxes 05 - Bus and Occup Tax				(1,353,000)	(2,460,000)
GF-STATE-State 01 - Taxes 35 - Public Utilities Tax				(313,000)	(580,000)
Multimodal Transportation Account-State 01 - Taxes 01 - Retail Sales Tax	(492,000)	(682,000)	(1,174,000)	(1,286,000)	(1,372,000)
Performance Audits of Government Account-State 01 - Taxes 01 - Retail Sales Tax	(21,000)	(25,000)	(46,000)	(46,000)	(48,000)
<b>Total \$</b>	(13,134,000)	(16,554,000)	(29,688,000)	(31,542,000)	(34,910,000)

### Estimated Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	1.3	0.4	0.8	0.3	0.2
<b>Account</b>					
GF-STATE-State 001-1	208,600	32,300	240,900	46,500	28,400
<b>Total \$</b>	208,600	32,300	240,900	46,500	28,400

### Estimated Capital Budget Impact:

NONE

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*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:	Beth Redfield	Phone: 360-786-7347	Date: 03/22/2019
Agency Preparation:	Marianne McIntosh	Phone: 360-534-1505	Date: 03/29/2019
Agency Approval:	Don Gutmann	Phone: 360-534-1510	Date: 03/29/2019
OFM Review:	Kathy Cody	Phone: (360) 902-9822	Date: 03/29/2019

Request # 2042-3-1

## 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 reflects language in SHB 2042, 2019 Legislative Session.

This fiscal note only addresses those sections of the bill that impact the Department of Revenue (Department).

Section 10 and 15

#### CURRENT LAW:

RCW 82.04.4496 and RCW 82.16.0496 provide B&O tax and public utility tax (PUT) credits for businesses that purchase or lease new or qualifying used commercial vehicles powered by a clean alternative fuel, or convert vehicles to be powered by a clean alternative fuel. "Qualifying used commercial vehicle" means a vehicle with an odometer reading of less than 450,000 miles; is less than ten years past the original manufacturing date; is modified after the initial purchase with a United States environmental protection agency certified conversion that would allow the propulsion units to be principally powered by a clean alternative fuel; and is being sold for the first time after modification. Only vehicles used for commercial services or to transport commodities, merchandise, produce, refuse, freight, animals, or passengers and display a Washington state plate qualify for the credit. All commercial vehicles that provide transportation to passengers must be operated by an auto transportation company.

The credit is equal to fifty percent of the incremental cost amount, which is the difference in price between the qualified vehicle's purchase price and a comparable conventionally-fueled vehicle, or the maximum credit amount for that vehicle, whichever is smaller. For leased vehicles, the credit is equal to fifty percent of the incremental cost amount multiplied by a lease reduction factor. For converted vehicles, the credit is \$25,000 or 30 percent of the conversion costs, whichever is smaller. The maximum credit amount per vehicle is \$25,000, \$50,000, or \$100,000, depending on the gross weight of the vehicle. The maximum total B&O and PUT credits allowed each year is six million dollars, which is \$2 million per weight class. The maximum credit a person can receive in a year is \$250,000 or 25 vehicles, whichever is smaller.

On the 25th of February, May, August, and November of each year, the Department must notify the State Treasurer of the amount of the B&O and PUT credits as reported on returns filed during the preceding calendar quarter ending on the last day of December, March, June, and September, respectively. The State Treasurer then transfers a sum equal to the credit amount provided by the Department from the multimodal account to the general fund.

This credit must be earned by January 1, 2021, and used by January 1, 2022, when the credit expires.

#### PROPOSAL:

This bill amends RCW 82.04.4496 and RCW 82.16.0496 by increasing the B&O and PUT credit to 75 percent of the incremental cost amount. For converted commercial vehicles, the percentage of the cost to calculate the credit is raised to 50 percent.

A credit is allowed of up to 50 percent of the cost to purchase alternative fuel vehicle infrastructure which includes tangible personal property that will become a component and installation and construction of alternative fuel vehicle infrastructure. The credit for infrastructure is limited to two million dollars annually. On September 1 of each year, any unused credits from any category, must be made available to applicants applying for credits under any other category, subject to the maximum annual credit of six million dollars. The maximum total credit taken since July 15, 2015, cannot exceed \$32.5 million, in which these sections will expire.

The auto transportation definition is amended to include private, nonprofit transportation provider, charter party carrier, and paratransit service providers who primarily provide special needs transportation to individuals with disabilities and the elderly.

The bill states the Department must conduct an outreach to interested parties to obtain input on how best to streamline the application process for these sections.

#### Section 11 and 12

##### CURRENT LAW:

Sales and use tax is due on sales of new and used vehicles fueled by clean alternative fuel.

##### PROPOSAL:

This bill provides a sales and use tax exemption for sales of new and used passenger cars, light duty trucks, and medium duty passenger vehicles which (a) are exclusively powered by a clean alternative fuel or (b) use at least one method of propulsion that is capable of being recharged from an external source of electricity and are capable of traveling at least thirty miles using only battery power.

New and used vehicles with a selling price less than \$45,000, which includes the trade-in value, qualify for this exemption. Through July 31, 2021, the exemption is a maximum of \$32,000 of a vehicle's selling price or the total lease payments made plus the selling price of the leased vehicle, if the original lessee purchases the leased vehicle. Beginning August 1, 2021, the exemption is a maximum of \$24,000 and decreases to \$16,000 on August 1, 2023. The qualification period end date is August 1, 2025.

On the last day of January, April, July, and October of each year, the state treasurer, based on information provided by the Department, must transfer from the electric vehicle account to the general fund a sum equal to the dollar amount that would have been deposited in the general fund had the exemption not been granted.

Every six months, beginning the last day of October 2019 through qualification period end date, the Department must report to the transportation committees of the legislature the cumulative number of qualifying vehicles titled in the state and the corresponding dollar amount of exempted state retail sales and estimated future costs of leased vehicles.

All leased vehicles signed by the qualification period end date continue to be exempt from sales tax until August 1, 2028, when these sections expire.

#### Section 13 and 14

##### CURRENT LAW

Per RCW 82.08.816 and 82.12.816, sales of electric vehicle batteries and infrastructure are exempt from retail sales and use tax. The exemption is available on the sale of or charge made for:

- Batteries for electric vehicles.
- Labor and services rendered in respect to installing, repairing, altering, or improving electric vehicle batteries.
- Labor and services rendered in respect to installing, constructing, repairing, or improving electric vehicle infrastructure.
- Tangible personal property that will become a component of electric vehicle infrastructure during the course of installing, constructing, repairing, or improving electric vehicle infrastructure.

This exemption expires January 1, 2020.

##### PROPOSAL:

This bill exempts the retail sale and use tax for batteries sold as a component of an electric bus at the time of sale and the

sales of zero emission buses. Zero emission bus means a bus that emits no exhaust gas from the onboard source of power. The expiration date is extended to August 1, 2029.

Section 16  
CURRENT LAW

Per RCW 82.29A.125, leasehold interests in public lands are exempt from state and local leasehold excise taxes, if the purpose of the leasehold interest is to install, maintain, and operate electric vehicle infrastructure.

This exemption expires January 1, 2020.

PROPOSAL:

This bill extends the expiration date to August 1, 2029.

Section 23 and 24  
CURRENT LAW

Sales and use tax is due on sales of new electric vessels and marine propulsion systems.

PROPOSAL

This bill provides a sales and use tax exemption for new battery-powered electric marine propulsion systems with a continuous power greater than 15 kilowatts and new vessels equipped with these propulsion systems. The propulsion system is a fully electric outboard or inboard motor used by vessels with battery packs being the only source of the power. The exemption includes required accessories, such as throttles/displays and battery packs. The term vessel includes every watercraft other than a seaplane, used or capable of being used as a means of transportation on the water. This exemption expires August 1, 2029.

EFFECTIVE DATE:

Sections 10 and 15 take effect on January 1, 2020.

Sections 11 through 14, 16, 23, and 24, take effect on August 1, 2019.

**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

- Effective August 1, 2019, with 10 months of impact in Fiscal Year 2020.
- Sales of qualifying vehicles will grow by an average of 20 percent per year.
- Lease payments for agreements signed prior to the expiration date will continue to be exempt through the remainder of the lease.
- Average lease term is 36 months. To adjust for leases signed over the course of a fiscal year, sales tax is allocated over four fiscal years with six months of payments reflected in the first and fourth year and 12 months of payments reflected in the second and third year.
- Average residual value of the leased vehicle is 55 percent.
- The alternative fuel commercial vehicle tax credit program will continue to grow by 15 percent, which is reflected starting in Fiscal Year 2022 with five months of impact.
- Per King County website, Metro transit will be acquiring 120 all-electric buses by 2020. The acquisition of the buses is split between Fiscal Years 2020 and 2021. Recharging infrastructure will be installed to accommodate the additional electric buses and is included in the calculation.
- "Zero emission bus" includes large transit buses as well as shuttle buses, such as airport parking lot shuttles. These bus purchases and the recharging infrastructure also qualify for the alternative fuel commercial vehicle tax credit program.
- The sales growth for smaller recharging infrastructure is 10 percent.
- The revenue impact for the leasehold exemption is indeterminate. The number of charging stations located on public

property is unknown but the impact to the leasehold excise tax is thought to be minimal.

- National growth for boat sales is 5 percent, electric boats are about 0.1 percent of the sales.
- Electric boats are forecasted to grow 11 percent annually.
- Per Geekwire article dated November 1, 2018, Seco Development plans to build and operate three electric water taxis from Lake Union to Renton by 2020. It is assumed the taxis will be purchased in Fiscal Year 2020.

#### DATA SOURCES

- Department of Revenue excise tax returns
- Office of Financial Management, November 2018 Transportation Revenue Forecast
- Washington State Department of Licensing
- Qualifying Vehicles List <https://www.dol.wa.gov/vehicleregistration/docs/current-list-of-qualifying-vehicles.pdf>
- Department of Ecology,  
[https://ecology.wa.gov/About-us/Get-to-know-us/News/2018/\\$22-million-from-VW-settlement-goes-toward-electri](https://ecology.wa.gov/About-us/Get-to-know-us/News/2018/$22-million-from-VW-settlement-goes-toward-electri)
- King County,  
<https://www.kingcounty.gov/elected/executive/constantine/news/release/2017/January/10-battery-buses.aspx>
- Geekwire article,  
<https://www.geekwire.com/2018/developer-plans-launch-water-taxis-connect-seattle-regions-tech-hubs-2020/>
- PR Newswire article,  
<https://www.prnewswire.com/news-releases/electric-boats-market-to-represent-a-significant-expansion-at-110-cagr-during-2018---2028---future-market-insights-684173351.html>
- Businesswire article,  
<https://www.businesswire.com/news/home/20180109005475/en/U.S.-Boat-Sales-Strong-Heading-2018-Poised>

#### REVENUE ESTIMATES

This bill decreases state revenues by an estimated \$29.7 million in the 2019-21 Biennium. This bill also decreases local revenues by an estimated \$11.7 million in the 2019-21 Biennium.

#### TOTAL REVENUE IMPACT:

##### State Government (cash basis, \$000):

FY 2020 -	(\$ 13,134)
FY 2021 -	(\$ 16,554)
FY 2022 -	(\$ 14,022)
FY 2023 -	(\$ 17,520)
FY 2024 -	(\$ 16,034)
FY 2025 -	(\$ 18,876)

##### Local Government, if applicable (cash basis, \$000):

FY 2020 -	(\$ 5,120)
FY 2021 -	(\$ 6,542)
FY 2022 -	(\$ 5,513)
FY 2023 -	(\$ 6,713)
FY 2024 -	(\$ 6,014)
FY 2025 -	(\$ 7,115)

#### 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.*

#### ASSUMPTIONS:

- The Department will receive approximately 100 applications per year for the commercial vehicle credit.

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- Approximately 100 taxpayers will claim the alternative fuel vehicle sales tax exemption.
- Approximately 25 taxpayers will claim the sales tax exemption for batteries used with electric vehicles and zero emission buses.
- Approximately 25 taxpayers will claim the sales and use tax exemption for electric vessels.

#### FIRST YEAR COSTS:

The Department will incur total costs of \$208,600 in Fiscal Year 2020. These costs include:

Labor Costs – Time and effort equates to 1.28 FTEs.

- Create special notices and identify publications that need to be created or updated.
- Respond to additional telephone questions, email and written correspondence.
- Adopt one new rule and amend one administrative rule.
- Administer credit programs, handle difficult tax issues, monitor reports, issue assessments, resolve additional error and out of balance returns, and prepare refunds.
- Batch and scan documents, data entry, and prepare mail correspondence.
- Assist in form development, system testing, and division training.
- Set up, program, and test computer system changes.

Object Costs - \$88,200.

- Printing and mailing additional reporting forms.
- Gather requirements to test system changes and coordinate user acceptance testing.

#### SECOND YEAR COSTS:

The Department will incur total costs of \$32,300 in Fiscal Year 2021. These costs include:

Labor Costs – Time and effort equates to 0.4 FTEs.

- Administer credit programs, handle difficult tax issues, monitor reports, issue assessments, resolve additional error and out of balance returns, and prepare refunds.
- Batch and scan documents, data entry, and prepare mail correspondence.
- Assist in form development, system testing, and division training.
- Respond to additional telephone questions, email and written correspondence.

Object Costs - \$200.

- Printing and mailing additional reporting forms.

#### ONGOING COSTS:

Ongoing costs for the 2021-2023 Biennium equal \$46,500 and include similar activities described in the second year costs. Time and effort equates to 0.3 FTEs.

### Part III: Expenditure Detail

#### III. A - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	1.3	0.4	0.8	0.3	0.2
A-Salaries and Wages	75,200	21,000	96,200	29,900	17,800
B-Employee Benefits	22,500	6,300	28,800	9,000	5,400
C-Professional Service Contracts	88,000		88,000		
E-Goods and Other Services	14,600	4,200	18,800	6,400	4,400
J-Capital Outlays	8,300	800	9,100	1,200	800
<b>Total \$</b>	<b>\$208,600</b>	<b>\$32,300</b>	<b>\$240,900</b>	<b>\$46,500</b>	<b>\$28,400</b>

**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 2020	FY 2021	2019-21	2021-23	2023-25
EMS BAND 4	115,593	0.0		0.0		
EXCISE TAX EX 3	56,256	0.2	0.1	0.2	0.1	0.1
IT SPEC 4	70,320	0.1		0.1		
MGMT ANALYST1	45,096	0.0		0.0		
MGMT ANALYST4	63,684	0.3		0.2		
OFF ASST 3	33,132	0.1	0.1	0.1	0.1	0.1
TAX INFO SPEC 4	60,636	0.5	0.2	0.4	0.1	
TAX POLICY SP 2	68,580	0.0		0.0		
TAX POLICY SP 3	77,616	0.0		0.0		
TAX POLICY SP 4	83,556	0.0		0.0		
WMS BAND 3	98,308	0.0		0.0		
<b>Total FTEs</b>		1.3	0.4	0.9	0.3	0.2

## 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.*

Should this legislation become law, the Department will use the expedited process to adopt WAC 458-20-NEW, titled: "Clean commercial vehicles". The Department will use the expedited process to amend WAC 458-20-279, titled: "Clean alt fuel vehicles". Persons affected by this rule making would include sellers & purchasers of clean fuel vehicles.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2042 S HB	<b>Title:</b> Green transportation (PROPOSED SUB)	<b>Agency:</b> 215-Utilities and Transportation Commission
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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
FTE Staff Years	0.7	0.2	0.4	0.2	0.1
<b>Account</b>					
Public Service Revolving Account-State 111-1	103,393	21,564	124,957	38,796	33,114
<b>Total \$</b>	103,393	21,564	124,957	38,796	33,114

*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: Beth Redfield	Phone: 360-786-7347	Date: 03/22/2019
Agency Preparation: Melissa Hamilton	Phone: 360 664-1158	Date: 03/27/2019
Agency Approval: Jon Noski	Phone: 360-664-1209	Date: 03/27/2019
OFM Review: Alyssa Ball	Phone: (360) 902-0419	Date: 03/27/2019

## 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.*

Sec. 7: Investor-owned electric utilities (IOUs) may submit to the commission an “electrification of transportation plan” that deploys electric vehicle supply equipment (EVSE) or provides other programs, services, or incentives to support electrification, provided such EVSE may not increase costs to customers in excess of one-quarter of one percent above the benefits of electric transportation to all customers over the IOU’s integrated resource planning horizon. The commission must acknowledge submittal of a plan within six months, and may establish by rule the requirements for preparation and submission of electrification of transportation plans.

Sec. 8: RCW 80.28.360 is changed such that the commission may offer an incentive rate of return on investment on capital expenditures for EVSE through December 31, 2030. The revision also removes the requirement that EVSE investments must be installed and located where electric vehicles are most likely to be parked for intervals longer than two hours.

Sec. 20: The bill directs the commission to provide a representative to serve on an advisory committee established by the department of transportation, to assist in identifying projects under the green transportation capital grant program identified in subsection (1) of this section.

### 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 Cash Receipt Impact.

### 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.*

Rulemaking (Sec 7): The Utilities and Transportation Commission (UTC) assumes it would undertake a complex rulemaking to establish in rule the requirements for preparation and submission of electric utilities’ electrification of transportation plans, as well as providing guidance on when and how to apply an incentive rate of return.

FY 2020 – \$98,294 (Administrative Law Judge, 0.08 FTE; Assistant Director Conservation and Energy, .07 FTE; Consumer Program Specialist 3, 0.15 FTE; Director Regulatory Services, 0.02 FTE; Legal Assistant 2, 0.01 FTE; Paralegal 1, 0.03 FTE; Policy Advisor, 0.06 FTE; Regulatory Analyst 2, 0.02 FTE; Regulatory Analyst 3, 0.15 FTE; Commissioner, 0.03 FTE)

Preparation of plans (Sec 7): UTC assumes that each of the three IOUs would prepare electrification of transportation plans, and that each utility would hold four meetings with staff and other stakeholders prior to the submittal of its plan. UTC assumes that a Regulatory Analyst 3 would attend each meeting, that each meeting would be four hours long, and that the analyst would spend eight hours preparing and reviewing materials for each meeting. UTC assumes that the electrification of transportation plans would be prepared in FY 2021.

FY 2021 – \$8,816

Regulatory Analyst 3: 0.07 FTE (4 meetings \* (4 hrs. mtg. + 8 hrs. prep) \* 3 IOUs = 144 hrs.)

Review and acknowledgment of plans (Sec 7): UTC assumes that each IOU will submit an electrification of transportation plan for the commission’s review and acknowledgment at the beginning of FY 2022. UTC

assumes that each plan will necessitate a commissioner briefing and a recessed open meeting. UTC estimates that review of each plan, preparation of commission briefing materials, and coordination and attendance of each recessed open meeting will require 40 hours of Regulatory Analyst 3 staff time, 20 hours of Policy Analyst staff time, and 10 hours from the Assistant Director, Conservation and Energy Planning. UTC assumes that commissioners will review plans and attend briefings.

FY 2022 –

\$13,301 (Regulatory Analyst 3: 0.06 FTE (40 hrs. review/prep/coordination \* 3 IOUs = 120 hrs.); Policy Advisor: 0.03 FTE (20 hrs. review/prep/coordination \* 3 IOUs = 60 hrs.); Commissioner, 0.01 FTE)

Updating of plans as needed (Sec 7): UTC assumes that the rulemaking would enable IOUs to update and revise their plans on an as-needed basis. UTC assumes that, on average, one IOU will decide to update its plan each fiscal year, starting in FY 2024. UTC assumes that the plan update process will take six months, and the review and acknowledgment process will take no more than four months. UTC assumes that preparation of an updated plan will require three four-hour meetings, and that a Regulatory Analyst 3 will spend eight hours preparing for each meeting, and will attend each meeting. UTC assumes that acknowledgment of a revised plan will require the same amount of preparation, briefing, and coordination for an open meeting as the first plans - 40 hours of Regulatory Analyst 3 staff time and 20 hours of Policy Advisor staff time.

FY 2024 and annually thereafter –

\$3,810 (Regulatory Analyst 3: 0.02 FTE (40 hrs. review/prep/coordination); Policy Advisor: 0.01 FTE (20 hrs. review/prep/coordination))

Advisory Committee (Sec 20): UTC assumes that the Department will organize eight-hour meetings every other month, starting January 2020 and every year thereafter. UTC assumes one Regulatory Analyst 3 and one Policy Advisor will attend each eight-hour meeting. UTC further assumes eight hours of preparation for each staff person.

FY 2020 –

\$5,099 (Regulatory Analyst 3, 0.02 FTE (3 mtgs. \* (8 hrs./mtg. + 8 hrs. preparation/mtg.) = 48 hrs.); Policy Advisor, 0.02 FTE)

FY 2021 and annually thereafter –

\$12,748 (Regulatory Analyst 3, 0.05 FTE (6 mtgs. \* (8 hrs. at mtg. + 8 hrs. prep) = 96 hrs.); Policy Advisor, 0.05 FTE)

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
111-1	Public Service Revolving Account	State	103,393	21,564	124,957	38,796	33,114
<b>Total \$</b>			103,393	21,564	124,957	38,796	33,114

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.7	0.2	0.4	0.2	0.1
A-Salaries and Wages	57,519	14,669	72,188	26,392	22,526
B-Employee Benefits	20,132	5,134	25,266	9,237	7,884
C-Professional Service Contracts					
E-Goods and Other Services	25,742	1,761	27,503	3,167	2,704
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-					
Total \$	103,393	21,564	124,957	38,796	33,114

III. C - Operating FTE 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 2020	FY 2021	2019-21	2021-23	2023-25
Administrative Law Judge	121,452	0.1		0.0		
Assist. Director, Conservation & Energy	98,088	0.1		0.0		
Commissioner		0.0		0.0	0.0	
Consumer Program Specialist 3	62,148	0.2		0.1		
Director, Regulatory Services	122,820	0.0		0.0		
Legal Assist. 2	46,188	0.0		0.0		
Paralegal 1	59,148	0.0		0.0		
Policy Advisor	87,768	0.1	0.1	0.1	0.1	0.1
Regulatory Analyst 2	75,684	0.0		0.0		
Regulatory Analyst 3	85,668	0.2	0.1	0.2	0.1	0.1
Total FTEs		0.7	0.2	0.5	0.2	0.1

Part IV: Capital Budget Impact

NONE

No 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.

To implement the provisions of the bill UTC will conduct a complex rulemaking in FY 2020 at an estimated cost of \$98,294.

The complex rulemaking will entail two day-long workshops, development of draft and proposed rules, and two rounds of stakeholder comments.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2042 S HB	<b>Title:</b> Green transportation (PROPOSED SUB)	<b>Agency:</b> 240-Department of Licensing
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## Part I: Estimates

☐

No Fiscal Impact

### Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.
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### Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	1.8	1.5	1.7	1.5	1.5
<b>Account</b>					
Electric vehicle account-State NEW-1	234,100	172,400	406,500	344,800	344,800
<b>Total \$</b>	234,100	172,400	406,500	344,800	344,800

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.

<b>Legislative Contact:</b> Beth Redfield	<b>Phone:</b> 360-786-7347	<b>Date:</b> 03/22/2019
<b>Agency Preparation:</b> Merdan Bazarov	<b>Phone:</b> 360-902-3795	<b>Date:</b> 03/27/2019
<b>Agency Approval:</b> Justin Leppa	<b>Phone:</b> 360-902-3644	<b>Date:</b> 03/27/2019
<b>OFM Review:</b> Veronica Jarvis	<b>Phone:</b> (360) 902-0649	<b>Date:</b> 03/28/2019

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.

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 - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
NEW-1	Electric vehicle account	State	234,100	172,400	406,500	344,800	344,800
Total \$			234,100	172,400	406,500	344,800	344,800

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	1.8	1.5	1.7	1.5	1.5
A-Salaries and Wages	124,100	105,800	229,900	211,600	211,600
B-Employee Benefits	47,000	40,000	87,000	80,000	80,000
C-Professional Service Contracts					
E-Goods and Other Services	51,400	25,900	77,300	51,800	51,800
G-Travel					
J-Capital Outlays	11,600	700	12,300	1,400	1,400
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	234,100	172,400	406,500	344,800	344,800

III. C - Operating FTE 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 2020	FY 2021	2019-21	2021-23	2023-25
Indirect ISD IT Specialist 4	6,793	0.1	0.1	0.1	0.1	0.1
Indirect MSS Fiscal Tech 2	3,249	0.2	0.1	0.2	0.1	0.1
It Specialist 3	6,159	1.5	1.3	1.4	1.3	1.3
Total FTEs		1.8	1.5	1.7	1.5	1.5

III. D - Expenditures By Program (optional)

Program	FY 2020	FY 2021	2019-21	2021-23	2023-25
Mgmt & Support Services (100)	204,200	165,400	369,600	330,800	330,800
Information Services (200)	29,900	7,000	36,900	14,000	14,000
Total \$	234,100	172,400	406,500	344,800	344,800

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

Agency 240 – Department of Licensing

Bill Number: 2042 SHB

Bill Title: Green transportation

## Part 1: Estimates

☐ No Fiscal Impact

## Estimated Cash Receipts

Non-zero but indeterminate cash receipts. Please see discussion

## Estimated Expenditures:

		FY 20	FY 21	19-21 Total	21-23 Total	23-25 Total
FTE Staff Years		1.8	1.5	1.6	1.5	1.5
Account Name	Account	FY 20	FY 21	19-21 Total	21-23 Total	23-25 Total
Electric vehicle account	NEW	234,100	172,400	406,500	344,800	344,800
Account Totals		234,100	172,400	406,500	344,800	344,800

*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 Parts I-V.
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Beth Redfield	Phone: 360-786-7347	Date: 3/22/2019
Agency Preparation: Merdan Bazarov	Phone: 360-902-3795	Date: 3/27/2019
Agency Approval: Justin Leppa	Phone: 360-902-3644	Date: 3/27/2019

Request #	1
Bill #	2042 SHB

## Part 2 – Explanation

This bill establishes fuel-efficient programs in various state agencies, including reinstating the sales and use tax exemptions for alternative fuel vehicles and changes the electric vehicle fees and distributions.

**SHB 2042 compared to HB 2042:** SHB 2042 does not change estimated expenditures for DOL, however, it changes the distribution of the revenue, and adds the end date of August 1, 2028 for the additional electric vehicles renewal fee of \$50. It also modifies the alternative fuel vehicle retail sales and use tax exemption qualification criteria, including used vehicles that are eligible for a tax exemption for tax otherwise due on up to \$16,000 of the vehicle's sales price or fair market value, and replaces the requirement that the base model manufacturer suggested retail price not exceed \$42,500 with a requirement that the vehicle's sales price or fair market value not exceed \$45,000.

### **2.A – Brief Description Of What The Measure Does That Has Fiscal Impact**

Section 3(1)(c) amends RCW 46.17.323 to direct the proceeds from the \$100 electric vehicle registration renewal fee referenced in section 3(1) from the motor vehicle fund created in RCW 46.68.070 to the electric vehicle account created in RCW 82.44.200 beginning August 1, 2019, until August 1, 2024.

Section 3(4) amends RCW 46.17.323 to increase the electric vehicle registration renewal fee from \$50 to \$100 until August 1, 2028. Beginning August 1, 2029, the additional fee established in this subsection is reduced to \$50. The fees are deposited into the electric vehicle account created in RCW 82.44.200.

Section 9 is a new section added to the tax preference performance statement for the tax preferences contained in sections 10 through 16 of the act.

- Section 9(3) requires the joint legislative audit and review committee to measure the effectiveness of the tax preferences in Laws of 2019 in achieving the public policy objectives, and evaluate the number of clean alternative fuel vehicles titled in the Washington state based on data provided by the Department of Licensing (DOL) and the Department of Revenue (DOR).
- Section 9(4) requires DOL and DOR to provide data needed for the joint legislative audit and review committee analysis, which may require any other data that may be necessary.

Section 11 adds a new section to chapter 82.08 RCW requiring DOL to maintain and publish a list of all vehicle models that meet the qualifying criteria in subsection (1)(a)(i) or (ii) of this section and section 12(1)(a)(i) or (ii) of this act until the expiration date of this section, and is authorized to issue final rulings on vehicle model qualification for these criteria. This section expires August 1, 2028.

Section 12 adds a new section to chapter 82.12 RCW. Under subsection (2)(b) requires DOL to establish a process for granting a use tax exemption when the seller is not a vehicle dealer as defined under RCW 46.70.011, which is a current DOL practice.

Section 17 amends RCW 82.44.200, changing the name of the account from “electric vehicle charging infrastructure account” to “electric vehicle account”.

Section 22 requires DOL and DOR to provide data needed for the joint legislative audit and review committee analysis related to the number of electric vessels titled in the state. The joint legislative audit and review committee may use any other data it deems necessary.

The expenditures in this fiscal note apply to staff needs for increased research and reporting requirements, as well as DOL technology systems.

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

The sections applicable to DOL are effective August 1, 2019.

## **2.B - Cash receipts Impact**

Account Name	Account	FY 20	FY 21	19-21 Total	21-23 Total	23-25 Total
Motor Vehicle Account	108	(4,365,000)	(5,857,000)	(10,222,000)	(16,304,000)	(17,276,000)
Electric vehicle account	NEW	6,846,000	9,302,000	16,148,000	26,287,000	29,233,000
Rural Arterial Trust Acct	102	(363,000)	(530,000)	(893,000)	(1,621,000)	(1,285,000)
Trans Improvement Acct	144	(363,000)	(530,000)	(893,000)	(1,621,000)	(1,285,000)
<b>Account Totals</b>		<b>1,755,000</b>	<b>2,385,000</b>	<b>4,140,000</b>	<b>6,741,000</b>	<b>9,387,000</b>

Indeterminate.

This bill redistributes the existing \$100 electric vehicle registration renewal fee to electric vehicle account created in RCW 82.44.200 from August 1, 2019 until August 1, 2024. After this period the revenue distribution returns back to 70% to the motor vehicle fund, 15% to transportation improvement account, and 15% to the rural arterial trust fund.

Section 3(4)(a) increases the existing \$50 electric vehicle registration renewal fee to \$100 until the expiration date of August 1, 2028. As provided in this subsection, no fee is collected from August 2, 2028 until August 1, 2029. Starting August 1, 2029 the additional fee amount is reduced to \$50.

For illustration purposes, the impact related to section 3 is shown in the table above. This portion of the impact does not include an indeterminate revenue increase for Sections 11 and 12, which pertain to use tax exemption on eligible vehicles. It is unknown how many people will take advantage of this incentive for electric vehicles.

## **2.C – Expenditures**

This bill requires DOL to research, maintain, publish, and report on all vehicle models qualifying for the sales tax exemption. It also requires DOL to compare the size of the target population to that of the general vehicle population, and to notify identified parties when the size of the target population grows to 10 percent of the total population. This bill requires research on “passenger cars, light duty trucks, and medium duty passenger vehicles”. Additionally, DOL must determine the “Base model” of each vehicle within the target population.

DOL currently researches passenger cars and would need to also research the truck population. The number of passenger car models that need to be researched is increasing very quickly.

- DOL has gone from six variations of passenger car models in 2011, to 10 times as many in 2018. Researching and reporting 59 variations of models in 2018 took two FTEs. This equates to one FTE per 30 vehicle variations. The trending data shows that the workload is projected to grow by 30 passenger cars by the time 2020 models are released, and therefore, DOL would need an additional FTE for the increased workload.

- There are fewer electric light duty trucks. DOL assumes adding the research of electric light duty trucks will increase workload by 0.5 FTE in FY20, reducing to 0.3 FTE ongoing.

#### Information Services:

DOL will implement the following changes to DRIVES:

1. Logic change to identify the vehicles that meet the exemption criteria.
2. Create a new tax exemption type.
3. New fee, account code, and fund for the \$100 electric vehicle fee, including adding an end date for the \$50 electric vehicle fee.

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.

Any change requires a process to ensure changes are correctly applied to the system. This involves Project Managers that manage the team that completes the update, business analyst that documents and reviews the system changes, architect services that analyzes how the update could have an effect on other systems or DOL processes, developers who create the change, and testers and quality assurance teams that ensure the update is working correctly.

Cost Category	Description	Rate	2020	2021	2022	2023	2024	2025	Total Cost
TESTER	Test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	\$ 18,444	3,700	-	-	-	-	-	3,700
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
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.	\$ 34,800	7,000	-	-	-	-	-	7,000
Project Contingency	Office of the Chief Information Officer designated rate of 10%	\$ -	1,900	-	-	-	-	-	1,900
<b>Totals</b>			<b>20,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,600</b>

#### Support Services:

Administrative support is included at a rate of 12 percent of the direct program costs. This percentage is split 7 percent for Management and Support Services (MSS) and 5 percent for Information Services Division (ISD) functions. DOL uses a Fiscal Technician 2 (MSS) and an IT Specialist 4 (ISD) staffing costs as a proxy to determine FTE and display them under Indirect Staff in table 3.C.

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.

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

### Part 3 – Expenditure Detail

#### 3.A – Operating Budget Expenditures

Account Name	Account	FY 20	FY 21	19-21 Total	21-23 Total	23-25 Total
Electric vehicle account	NEW	234,100	172,400	406,500	344,800	344,800
<b>Account Totals</b>		<b>234,100</b>	<b>172,400</b>	<b>406,500</b>	<b>344,800</b>	<b>344,800</b>

#### 3.B – Expenditures by Object or Purpose

Object Name	FY 20	FY 21	19-21 Total	21-23 Total	23-25 Total
FTE Staff Years	1.8	1.5	1.6	1.5	1.5
Salaries and Wages	124,100	105,800	229,900	211,600	211,600
Employee Benefits	47,000	40,000	87,000	80,000	80,000
Goods and Services	51,400	25,900	77,300	51,800	51,800
Equipment	11,600	700	12,300	1,400	1,400
<b>Total By Object Type</b>	<b>234,100</b>	<b>172,400</b>	<b>406,500</b>	<b>344,800</b>	<b>344,800</b>

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

Object E - Description	FY 20	FY 21	19-21 Total	21-23 Total	23-25 Total
EA - General Office Supplies	700	600	1,300	1,200	1,200
EB - Phone/Install/Usage	1,400	1,100	2,500	2,200	2,200
EC - Utilities	700	600	1,300	1,200	1,200
ED - Facility/Lease Costs	7,700	6,600	14,300	13,200	13,200
EE - Repairs, Alterations & Maintenance	800	700	1,500	1,400	1,400
EG - Training	200	200	400	400	400
EH - Manage Print Services	400	300	700	600	600
EK - Facilities and Services	1,800	1,500	3,300	3,000	3,000
EL - Interagency DP Svcs	8,700	7,400	16,100	14,800	14,800
EN - Personnel Services	300	200	500	400	400
ER - Contracted Costs	800	700	1,500	1,400	1,400
ER - Application Programmers	20,600	-	20,600	-	-
EY - Software Maintenance	7,300	6,000	13,300	12,000	12,000
<b>Total Goods &amp; Services</b>	<b>51,400</b>	<b>25,900</b>	<b>77,300</b>	<b>51,800</b>	<b>51,800</b>

#### 3.C – FTE Detail

Position	Salary	FY 20	FY 21	19-21 Total	21-23 Total	23-25 Total
It Specialist 3	6,159	1.5	1.3	1.4	1.3	1.3
Indirect MSS Fiscal Tech 2	3,249	0.2	0.1	0.2	0.1	0.1
Indirect ISD IT Specialist 4	6,793	0.1	0.1	0.1	0.1	0.1
<b>Total FTE</b>		<b>1.8</b>	<b>1.5</b>	<b>1.6</b>	<b>1.5</b>	<b>1.5</b>

Totals may differ due to rounding.

### **3.D – Expenditures by Program (Optional)**

<b>Program</b>		<b>FY 20</b>	<b>FY 21</b>	<b>19-21 Total</b>	<b>21-23 Total</b>	<b>23-25 Total</b>
100 - Mgmt & Support Services	MSS	195,200	157,800	353,000	315,600	315,600
200 - Information Services	ISD	29,900	7,000	36,900	14,000	14,000
100 - Central Payment Area	CPA	9,000	7,600	16,600	15,200	15,200
<b>Totals by Program</b>		<b>234,100</b>	<b>172,400</b>	<b>406,500</b>	<b>344,800</b>	<b>344,800</b>

### **Part 4 – Capital Budget Impact**

None.

### **Part 5 – New Rule Making Required**

None.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2042 S HB	<b>Title:</b> Green transportation (PROPOSED SUB)	<b>Agency:</b> 365-Washington State University
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.9	0.9	0.9	1.0	1.0
<b>Account</b>					
General Fund-State 001-1	185,106	190,617	375,723	396,945	402,322
<b>Total \$</b>	185,106	190,617	375,723	396,945	402,322

*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: Beth Redfield	Phone: 360-786-7347	Date: 03/22/2019
Agency Preparation: Carrie Johnson	Phone: 5093354606	Date: 03/25/2019
Agency Approval: Kelley Westhoff	Phone: 5093350907	Date: 03/25/2019
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 03/27/2019



## 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.*

The stated intent of 2042 SHB relates to advancing green transportation adoption.

Section 1 (4) establishes a technical assistance program for public agencies within Washington State University's energy program.

Section 2 (2) states that subject to funds appropriated for this specific purpose, the Washington State University extension energy program shall establish and administer a technical assistance and education program focused on the use of alternative fuel vehicles. Education and assistance may be provided to public agencies.

### 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.*

Section 2 (2) of the bill says that the WSU Energy Program shall establish and administer a technical assistance and education program focused on the use of alternative fuel vehicles. It says that education and assistance may be provided to public agencies.

The WSU Energy Program assumes that a base level of effort would include activities such as: stakeholder engagement, conducting visits to public agencies statewide to provide guidance and technical assistance, developing information resources for target audiences, conducting subject matter webinars, and answering questions that come into the WSU Energy Program via phone and email. The WSU Energy Program will coordinate information resource development and outreach efforts with other state agencies and stakeholders. WSU's planning assumptions about level of effort by position type for the Fiscal Year 2020 are as follows:

- Energy Program Coordinator (.42) - Program lead, outreach lead working with local governments and other stakeholders
- Energy Engineer (.21) – Senior technical expert, provide technical assistance on system technologies, deliver webinars and serve as resource for other outreach materials
- Energy Professional (.21) – Primary first contact for phone and email inquiries, coordinate material dissemination, meeting logistics and training
- Manager (.04) – Executive leadership, work integration

In addition to approximately 1.0 FTE of labor, the WSU Energy Program anticipates travel expenses, as well as expenses for information technology support, office rent, supplies, meeting registrations, and graphics/outreach material development.

All activity described above is subject to appropriated funding for this specific purpose.

## 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	185,106	190,617	375,723	396,945	402,322
Total \$			185,106	190,617	375,723	396,945	402,322

### III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.9	0.9	0.9	1.0	1.0
A-Salaries and Wages	76,980	79,860	156,840	169,431	172,754
B-Employee Benefits	47,574	49,354	96,928	104,708	106,762
C-Professional Service Contracts					
E-Goods and Other Services	52,829	53,680	106,509	107,360	107,360
G-Travel	7,723	7,723	15,446	15,446	15,446
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	185,106	190,617	375,723	396,945	402,322

### III. C - Operating FTE 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 2020	FY 2021	2019-21	2021-23	2023-25
Energy Engineer	99,493	0.2	0.2	0.2	0.2	0.2
Energy Professional	58,486	0.2	0.2	0.2	0.2	0.2
Energy Program Coordinator	90,326	0.4	0.4	0.4	0.5	0.5
Manager	138,661	0.0	0.0	0.0	0.0	0.0
Total FTEs		0.9	0.9	0.9	1.0	1.0

## 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.*