

Multiple Agency Fiscal Note Summary

Bill Number: 2042 2S HB	Title: Green transportation
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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	(28,669,000)	(29,889,000)	(30,806,000)	(32,139,000)	(33,892,000)	(35,312,000)
Department of Licensing	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Total \$	(28,669,000)	(29,889,000)	(30,806,000)	(32,139,000)	(33,892,000)	(35,312,000)

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

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	.4	124,838	124,838	.0	0	0	.0	0	0
Department of Revenue	.8	240,900	240,900	.3	46,500	46,500	.2	28,400	28,400
Utilities and Transportation Commission	Fiscal note not available								
Department of Licensing	1.7	0	406,500	1.5	0	344,800	1.5	0	344,800
Washington State University	Fiscal note not available								
Department of Transportation	Fiscal note not available								
Department of Ecology	.1	0	33,466	.1	0	33,466	.1	0	33,466
Total \$	3.0	365,738	805,704	1.9	46,500	424,766	1.8	28,400	406,666

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	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Utilities and Transportation Commission	Fiscal note not available								
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Washington State University	Fiscal note not available								
Department of Transportation	Fiscal note not available								
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

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Prepared by: Kathy Cody, OFM	Phone: (360) 902-9822	Date Published: Preliminary 4/25/2019
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Individual State Agency Fiscal Note

Bill Number: 2042 2S HB	Title: Green transportation	Agency: 103-Department of Commerce
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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	0.6	0.1	0.4	0.0	0.0
Account					
General Fund-State 001-1	104,499	20,339	124,838	0	0
Total \$	104,499	20,339	124,838	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.

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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).

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Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/22/2019
Agency Preparation: Carolee Sharp	Phone: (360) 725-3118	Date: 04/24/2019
Agency Approval: Joyce Miller	Phone: 360-725-2723	Date: 04/24/2019
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 04/24/2019

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.

Differences between the second substitute bill and the substitute bill:

There are no differences between the second substitute senate bill and the substitute senate bill that effect the fiscal impact to the Department of Commerce (department).

Second substitute bill narrative:

Section 18 directs the department to conduct a study on potential financial services and models to support low-income individuals acquiring an electric vehicle and necessary infrastructure. The department must identify barriers, opportunities, partnerships with non-profit lenders and explore loan loss reserves and rate buy downs in addition to other financing assistance opportunities.

The study must focus on potential borrowers who are at or below eighty percent of state median household income. The department must provide a report detailing the findings of the study to the transportation committees of the legislature by December 1, 2019. The section is subject to the availability of amounts appropriated for this specific purpose.

Section 19 directs the Department of Transportation's Public Transportation Division (Transportation) to establish and administer a green transportation capital grant program to assist transit authorities in fleet electrification, and establish an advisory committee to assist in identifying projects under subsection (1) of this section. A representative from the department is required to be a member of the advisory committee. In addition, Transportation must report annually to the appropriate committees of the legislature on the status of any grant projects funded by the program.

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.

The department does not set, administer or collect the tax or fee contained in this bill.

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 18 – Conduct the Study to Reduce Barriers to Electric Vehicle Adoption

The department assumes that the study will begin on July 1, 2019 and be completed by December 1, 2019. The study will include six meetings throughout the state. To accomplish this work, the department estimates:

0.4 FTE EMS2 Energy Policy Specialist (880 hours) in FY20 to conduct the study.

Salaries and Benefits

FY20: \$56,710

Goods and Services, Equipment and Travel

FY20: \$27,450

Note: Standard goods and services costs include supplies and materials, employee development and training, Attorney General costs, central services charges and agency administration. Agency administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

Section 19 – Attend Advisory Committee Meetings

The department assumes that staff will attend the advisory committee meetings beginning on July 1, 2019 and the meetings will be completed by December 1, 2020. To accomplish this work, the department estimates:

0.1 FTE EMS2 Energy Policy Specialist (310 hours) in FY20 and 0.1 FTE EMS2 (310 hours) in FY21 to conduct the study and attend advisory committee meetings.

Salaries and Benefits

FY20-21: \$14,178 per year

Goods and Services, Equipment and Travel

FY20-21: \$6,161 per year

Note: Standard goods and services costs include supplies and materials, employee development and training, Attorney General costs, central services charges and agency administration. Agency administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

Total Estimated Costs

FY20: \$104,499

FY21: \$20,339

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	104,499	20,339	124,838	0	0
Total \$			104,499	20,339	124,838	0	0

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.6	0.1	0.4		
A-Salaries and Wages	53,889	10,778	64,667		
B-Employee Benefits	16,999	3,400	20,399		
C-Professional Service Contracts					
E-Goods and Other Services	30,807	6,161	36,968		
G-Travel	2,804		2,804		
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 \$	104,499	20,339	124,838	0	0

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 Services-Indirect	69,552	0.1	0.0	0.1		
EMS Band 2	107,777	0.5	0.1	0.3		
Total FTEs		0.6	0.1	0.4		0.0

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.

None

Department of Revenue Fiscal Note

Bill Number: 2042 2S HB	Title: Green transportation	Agency: 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)	(16,048,000)	(28,669,000)	(29,140,000)	(30,852,000)
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)	(47,000)	(48,000)
Total \$	(13,134,000)	(16,755,000)	(29,889,000)	(32,139,000)	(35,312,000)

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
Account					
GF-STATE-State 001-1	208,600	32,300	240,900	46,500	28,400
Total \$	208,600	32,300	240,900	46,500	28,400

Estimated Capital Budget Impact:

NONE

Request # 2042-6-1

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact:	Phone:	Date: 04/22/2019
Agency Preparation: Marianne McIntosh	Phone: 360-534-1505	Date: 04/23/2019
Agency Approval: Don Gutmann	Phone: 360-534-1510	Date: 04/23/2019
OFM Review: Kathy Cody	Phone: (360) 902-9822	Date: 04/23/2019

Request # 2042-6-1

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 2SHB 2042, 2019 Legislative Session.

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

Section 9 and 14

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 \$6 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 \$2 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 \$6 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 10 and 11

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 12 and 13

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 or fuel cells for electric vehicles and electric buses if sold as a

component of the bus at the time of sale. The exemption extends to sales of zero emission buses as well as hydrogen fueling stations and renewable hydrogen production facilities. Zero emission bus means a bus that emits no exhaust gas from the onboard source of power. Renewable hydrogen means hydrogen produced using renewable resources both as the source for hydrogen and the source for the energy input into the production process. The expiration date is extended to August 1, 2029.

Section 15

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 and expands the exemption to include hydrogen fueling stations and renewable hydrogen production facilities.

Section 22 and 23

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 9 and 14 take effect on January 1, 2020.

Sections 10 through 13, 15, 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 and hydrogen refueling 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.
- Article posted on Oregon Public Broadcasting, dated April 15, 2019, states the Douglas County public utility district plans on purchasing a 2-3 megawatt electrolyzer to split water molecules to make hydrogen. The PUD estimates the cost of the electrolyzer at \$3 million and the purchase to occur in 2-3 years.
- National Renewable Energy Laboratory published the Hydrogen Station Cost Estimate report in 2013. Based on the report, the average cost for hydrogen fueling station is approximately \$3 million.
- California Air Resources Board published the 2018 Annual Evaluation of Fuel Cell Electric Vehicle Deployment & Hydrogen Fuel Station Network Development. As of 3/26/19, California has 39 fueling stations with an addition 25 more in development. In 2015, 5 fueling stations were opened. This number jumped to 19 additional stations built in 2016. There are no hydrogen fuel stations in Washington, but with California's quick implementation, Washington would most likely install at least one fuel station a year beginning in Fiscal Year 2021.
- At this time, the Department is unaware of any plans for a renewable hydrogen production facility besides Douglas PUD's project. The impact could increase significantly if a facility is built.

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>
- Oregon Public Broadcasting article,
<https://www.opb.org/news/article/hydrogen-h2-fuel-renewable-dams-hydropower-washington/>
- California Fuel Cell Partnership, https://cafcp.org/sites/default/files/h2_station_list.pdf

REVENUE ESTIMATES

This bill decreases state revenues by an estimated \$29.9 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 - (\$ 16,755)
FY 2022 - (\$ 14,418)
FY 2023 - (\$ 17,721)
FY 2024 - (\$ 16,235)
FY 2025 - (\$ 19,077)

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

FY 2020 - (\$ 5,120)
FY 2021 - (\$ 6,629)
FY 2022 - (\$ 5,651)
FY 2023 - (\$ 6,800)
FY 2024 - (\$ 6,101)
FY 2025 - (\$ 7,202)

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.
- 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.
- Less than 5 taxpayers will claim the deduction for utilizing renewable hydrogen.

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
Total \$	\$208,600	\$32,300	\$240,900	\$46,500	\$28,400

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 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		
Total FTEs		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

Revised

Bill Number: 2042 2S HB	Title: Green transportation	Agency: 240-Department of Licensing
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

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
Account					
Electric Vehicle Account-State NEW-1	234,100	172,400	406,500	344,800	344,800
Total \$	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.

Legislative Contact:	Phone:	Date: 04/22/2019
Agency Preparation: Merdan Bazarov	Phone: 360-902-3795	Date: 04/24/2019
Agency Approval: Justin Leppa	Phone: 360-902-3644	Date: 04/24/2019
OFM Review: Veronica Jarvis	Phone: (360) 902-0649	Date: 04/24/2019

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 2SHB

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: Steven Puvogel	Phone: 360-902-0576	Date: 4/22/2019
Agency Preparation: Merdan Bazarov	Phone: 360-902-3795	Date: 4/23/2019
Agency Approval: Justin Leppa	Phone: 360-902-3644	Date: 4/23/2019

Request #	1
Bill #	2042 2SHB

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.

2SHB 2042 compared to SHB 2042: Section 3(4)(a) includes a revised date of August 1, 2029, which is related to the reduction of the additional \$50 fee increase.

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, 2029. 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 8 is a new section added to the tax preference performance statement for the tax preferences contained in sections 9 through 15 of the act.

- Section 8(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 8(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 10 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 11(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 11 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 16 amends RCW 82.44.200, changing the name of the account from “electric vehicle charging infrastructure account” to “electric vehicle account”.

Section 21 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)
Account Totals		1,755,000	2,385,000	4,140,000	6,741,000	9,387,000

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, 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 10 and 11, 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
Totals			20,600	-	-	-	-	-	20,600

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
Account Totals		234,100	172,400	406,500	344,800	344,800

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
Total By Object Type	234,100	172,400	406,500	344,800	344,800

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
Total Goods & Services	51,400	25,900	77,300	51,800	51,800

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
Total FTE		1.8	1.5	1.6	1.5	1.5

Totals may differ due to rounding.

3.D – Expenditures by Program (Optional)

Program		FY 20	FY 21	19-21 Total	21-23 Total	23-25 Total
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
Totals by Program		234,100	172,400	406,500	344,800	344,800

Part 4 – Capital Budget Impact

None.

Part 5 – New Rule Making Required

None.

Individual State Agency Fiscal Note

Bill Number: 2042 2S HB	Title: Green transportation	Agency: 461-Department of Ecology
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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	0.1	0.1	0.1	0.1	0.1
Account					
State Toxics Control Account-State 173-1	16,733	16,733	33,466	33,466	33,466
Total \$	16,733	16,733	33,466	33,466	33,466

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

Check applicable boxes and follow corresponding instructions:

☐

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

☒

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

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/22/2019
Agency Preparation: Lori Peterson	Phone: 360-407-0244	Date: 04/23/2019
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 04/23/2019
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 04/24/2019

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.

Compared to 2042 PSHB (H-2455.2) [which became 2042 SHB], 2042 2SHB has the following changes:

- Section 19 (1) (a) includes hydrogen refueling and fuel cell electric vehicles among eligible project types to be funded through the green transportation capital grant program created in the section. This change would not modify Department of Ecology's estimated fiscal impact for this section.
- 2SHB 2042 strikes section 4 and replaces sections 6 through 8 in the proposed substitute with three new sections (numbered 5 through 7 in the current bill version) that would not relate to the Department of Ecology or create new fiscal impacts for Ecology.
- This version of the bill includes other changes that would not relate to the Department of Ecology or create new fiscal impacts.

Background: The Washington Legislature adopted Washington Clean Car standards in 2005. Under current law, cars, light duty trucks, and passenger vehicles (SUVs and passenger vans) manufactured after January 1, 2009, must meet strict clean air standards to be registered, leased, rented, licensed, or sold in Washington. Most of Clark, King, Pierce, Snohomish, and Spokane counties require vehicle emission tests for personal and fleet vehicles that have model year 2006 or older. Under current law, state air quality regulations align with federal Clean Air Act (CAA) requirements. Areas in the state that do not meet federal air quality standards are designated by the federal government as nonattainment or maintenance areas. Ecology monitors air quality statewide and tracks areas at risk of nonattainment.

This bill would provide various incentives for zero-emission vehicles (ZEVs), electric vehicle infrastructure, and transit electrification options. These changes are intended to promote the adoption of green transportation and transit options, which include zero-emission vehicles (ZEVs) and other clean alternative fuel vehicles, in order to reduce air pollution from exhaust emissions, including greenhouse gas (GHG) emissions.

Section 19 (2) would require Ecology to provide a representative to an advisory committee created to assist in the identification of projects for the green transportation capital grant program created by section 19 (1) (a).

Section 19 would take effect August 1, 2019, per section 24.

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 19 (2) would require Ecology to provide a representative to an advisory committee created to assist in the identification of projects for the green transportation capital grant program created by section 19 (1) (a). Per section 24, the grant program and advisory committee would be effective starting August 1, 2019.

Ecology assumes that the Climate Policy Section Manager (WMS Band 2) and Mobile Source Specialist (Environmental Planner 5) would participate in the advisory committee. Based on an assumption of eight hours of meetings every other month and an equal time commitment to prepare for meetings and to assist with developing proposals and scoring criteria for the grants, the estimated staff time needed would be as follows:

WMS Band 2 – 0.05 FTE in FY 2020 and ongoing thereafter;
Environmental Planner 5 – 0.05 FTE in FY 2020 and ongoing thereafter.

Expenditures are assumed to be in the State Toxics Control Account, the fund source for the agency's activity to Reduce Health and Environmental Threats from Motor Vehicle Emissions.

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 37.1% of salaries.

Goods and Services are the agency average of \$4,230 per direct program FTE.

Travel is the agency average of \$2,577 per direct program FTE.

Equipment is the agency average of \$1,319 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.7% 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 - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
173-1	State Toxics Control Account	State	16,733	16,733	33,466	33,466	33,466
Total \$			16,733	16,733	33,466	33,466	33,466

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.1	0.1	0.1	0.1	0.1
A-Salaries and Wages	8,953	8,953	17,906	17,906	17,906
B-Employee Benefits	3,321	3,321	6,642	6,642	6,642
E-Goods and Other Services	424	424	848	848	848
G-Travel	258	258	516	516	516
J-Capital Outlays	132	132	264	264	264
9-Agency Administrative Overhead	3,645	3,645	7,290	7,290	7,290
Total \$	16,733	16,733	33,466	33,466	33,466

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
ENVIRONMENTAL PLANNER 5	85,671	0.1	0.1	0.1	0.1	0.1
FISCAL ANALYST 2		0.0	0.0	0.0	0.0	0.0
IT SPECIALIST 2		0.0	0.0	0.0	0.0	0.0
WMS BAND 2	93,384	0.1	0.1	0.1	0.1	0.1
Total FTEs		0.1	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.