

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5308 SB	<b>Title:</b> Hybrid vehicle fees
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## Estimated Cash Receipts

Agency Name	2021-23			2023-25			2025-27		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Licensing	0	0	(11,340,000)	0	0	(23,364,000)	0	0	(24,308,300)
<b>Total \$</b>	<b>0</b>	<b>0</b>	<b>(11,340,000)</b>	<b>0</b>	<b>0</b>	<b>(23,364,000)</b>	<b>0</b>	<b>0</b>	<b>(24,308,300)</b>

Agency Name	2021-23		2023-25		2025-27	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Local Gov. Total						

## Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Licensing	.0	0	0	20,000	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
<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

<b>Prepared by:</b> Kyle Siefering, OFM	<b>Phone:</b> (360) 995-3825	<b>Date Published:</b> Final 2/ 3/2022
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5308 SB	<b>Title:</b> Hybrid vehicle fees	<b>Agency:</b> 240-Department of Licensing
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
Motor Vehicle Account-State 108-1					(24,308,300)
Electric Vehicle Account-State 20J-1		(11,340,000)	(11,340,000)	(23,364,000)	
<b>Total \$</b>		(11,340,000)	(11,340,000)	(23,364,000)	(24,308,300)

### Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
<b>Account</b>					
Motor Vehicle Account-State 108-1	0	20,000	20,000	0	0
<b>Total \$</b>	0	20,000	20,000	0	0

### Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

☐

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

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/28/2022
Agency Preparation: Aaron Harris	Phone: (360) 902-3795	Date: 02/01/2022
Agency Approval: Gerrit Eades	Phone: (360)902-3863	Date: 02/01/2022
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 02/02/2022

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 .

See attached fiscal note

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 2022	FY 2023	2021-23	2023-25	2025-27
108-1	Motor Vehicle Account	State	0	20,000	20,000	0	0
Total \$			0	20,000	20,000	0	0

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services		20,000	20,000		
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 \$	0	20,000	20,000	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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods*

NONE

**IV. D - Capital FTE Detail:** *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

**Part V: New Rule Making Required**

# Individual State Agency Fiscal Note

Agency 240 – Department of Licensing

Bill Number: SB 5308

Bill Title: Hybrid Vehicle Fees

## Part 1: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts:

Fund Name	FUND #	FY 22	FY 23	21-23 Total	23-25 Total	25-27 Total
Electric Vehicle	20J	-	(11,340,000)	(11,340,000)	(23,365,000)	-
Motor Vehicle	108	-	-	-	-	(24,309,000)
<b>Account Totals</b>		-	(11,340,000)	(11,340,000)	(23,365,000)	(24,309,000)

### Estimated Expenditures:

		FY 22	FY 23	21-23 Total	23-25 Total	25-27 Total
FTE Staff Years		-	-	-	-	-

  

Fund Name	Fund	FY 22	FY 23	21-23 Total	23-25 Total	25-27 Total
Motor Vehicle	108	-	20,000	20,000	-	-
<b>Account Totals</b>		-	20,000	20,000	-	-

*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:	Phone: (360)	Date:
Agency Preparation: Aaron Harris	Phone: (360) 902-3795	Date: 2.2.22
Agency Approval: Gerrit Eades	Phone: (360) 902-3931	Date: 2.2.22

Request #	1
Bill #	SB 5308

## Part 2 – Explanation

This bill would repeal the \$75.00 transportation electrification fee charged to hybrid and alternative fuel vehicles.

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

Section 1(2) amends RCW 46.17.324 to remove the \$75.00 transportation electrification fee charged to hybrid and alternative fuel vehicles.

This bill is effective 90 days Sine Die.

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

<b>Fund Name</b>	<b>FUND #</b>	<b>FY 22</b>	<b>FY 23</b>	<b>21-23 Total</b>	<b>23-25 Total</b>	<b>25-27 Total</b>
Electric Vehicle	20J	-	(11,340,000)	(11,340,000)	(23,365,000)	-
Motor Vehicle	108	-	-	-	-	(24,309,000)
<b>Account Totals</b>		-	<b>(11,340,000)</b>	<b>(11,340,000)</b>	<b>(23,365,000)</b>	<b>(24,309,000)</b>

Section 1(2) is removed from RCW 46.17.324 repealing the \$75.00 transportation electrification fee charged to hybrid and alternative fuel vehicles. Repealing this fee will have a negative impact on revenue of (\$11,340,000) in fiscal year 2023 and increasing by approximately two percent per fiscal year. The revenue reduction listed below is based on the November 2021 Transportation Revenue Forecast Council (TRFC) Forecast.

Fund 20J

FY 2023: (\$11,340,000)

FY 2024: (\$11,567,000)

FY 2025: (\$11,798,000)

Fund 108

FY 2026: (\$12,034,000)

FY 2027: (\$12,275,000)

### **2.C – Expenditures**

This bill would repeal the \$75.00 transportation electrification fee charged to hybrid and alternative fuel vehicles requiring the Department of Licensing (DOL) to modify the logic in DRIVES and add an end date to the fee for hybrid and alternative fuel vehicles.

DOL will implement the following changes to DRIVES:

- Add an end date to the \$75.00 hybrid vehicle and alternative fuel vehicle transportation electrification fee.

See the table below for costs associated with modifying DRIVES logic.

### **Information Services:**

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	2022	2023	2024	2025	2026	2027	Total Cost
TESTER	Test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	\$ 22,620	-	2,300	-	-	-	-	2,300
BUSINESS ANALYST	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	\$ 16,530	-	1,700	-	-	-	-	1,700
PROJECT MANAGER	Manage schedule and contracts	\$ 28,710	-	2,900	-	-	-	-	2,900
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.	\$ 16,530	-	1,700	-	-	-	-	1,700
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	-	3,500	-	-	-	-	3,500
Trainer	Trains business partners and employees in new system processes and capabilities.	\$ 22,620	-	2,300	-	-	-	-	2,300
Project Contingency	Office of the Chief Information Officer designated rate of 10%	\$ 25,230	-	1,400	-	-	-	-	1,400
<b>Totals</b>			-	<b>15,800</b>	-	-	-	-	<b>15,800</b>

### Support Services:

Agency Administrative Overhead is included at a rate of 26.0 percent of the direct program costs. This funding received covers agency-wide functions such as vendor payments, contract administration, financial management, mail processing, equipment management, help desk support, and technical assistance to DOL employees.

## Part 3 – Expenditure Detail

### 3.A – Operating Budget Expenditures

Fund Name	Fund	FY 22	FY 23	21-23 Total	23-25 Total	25-27 Total
Motor Vehicle	108	-	20,000	20,000	-	-
<b>Account Totals</b>		-	<b>20,000</b>	<b>20,000</b>	-	-

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

Object Name	FY 22	FY 23	21-23 Total	23-25 Total	25-27 Total
Goods and Services	-	20,000	20,000	-	-
<b>Total By Object Type</b>	-	<b>20,000</b>	<b>20,000</b>	-	-

### 3.C – FTE Detail

Position	Salary	FY 22	FY 23	21-23 Total	23-25 Total	25-27 Total
Total FTE		0.0	0.0	0.0	0.0	0.0
<i>Totals may differ due to rounding.</i>						

#### Part 4 – Capital Budget Impact

None.

#### Part 5 – New Rule Making Required

None.



# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5308 SB

Title: Hybrid vehicle fees

## Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

### Legislation Impacts:

- ☒ Cities: Future revenue loss from motor vehicle fund distribution
- ☒ Counties: Future revenue loss from motor vehicle fund distribution
- ☐ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

## Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☒ Key variables cannot be estimated with certainty at this time: Amounts for future disbursements from the Motor Vehicle Fund to cities and counties

### Estimated revenue impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

### Estimated expenditure impacts to:

None

## Part III: Preparation and Approval

Fiscal Note Analyst: Tammi Alexander	Phone: 360-725-5038	Date: 02/03/2022
Leg. Committee Contact:	Phone:	Date: 01/28/2022
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/03/2022
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 02/03/2022

## Part IV: Analysis

### A. SUMMARY OF BILL

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

This bill would amend RCW 46.17.324 to remove the \$75 hybrid vehicle transportation electrification fee charged to hybrid and alternative fuel vehicles.

### B. SUMMARY OF EXPENDITURE IMPACTS

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

This bill would not impact local government expenditures because no action is required by the cities, counties, or special purpose districts.

### C. SUMMARY OF REVENUE IMPACTS

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

This bill would have an indeterminate impact on cities and counties. Until July 1, 2025, the revenue from the hybrid vehicle transportation electrification fee is deposited into fund 20J, the Electric Vehicle Account. This account is managed by the Department of Transportation to issue grants and loans to proposers who are installing electric vehicle charging infrastructure. Beginning July 1, 2025, the fees are to be deposited into fund 108, the Motor Vehicle Fund (MVF.) Cities and Counties would receive revenue from the MVF beginning in fiscal year 2026, according to the provisions of RCW 46.68.090.

According to the Department of Licensing, the revenue loss to fund 20J and 108 is estimated to be :

Fund 20J  
FY 2023: (\$11,340,000)  
FY 2024: (\$11,567,000)  
FY 2025: (\$11,798,000)

Fund 108  
FY 2026: (\$12,034,000)  
FY 2027: (\$12,275,000)

Since there are multiple factors affecting the disbursements from fund 108 based on RCW 46.68.090, the revenue loss to cities and counties is unknown.

Sources:  
Department of Licensing fiscal note, 5308 SB (2022)  
Municipal Research and Services Center (MRSC)  
Office of Financial Management Fund Reference Manual  
Senate Bill Report, SB 5308, Transportation Committee (02/03/2022)  
Washington State Department of Transportation website