

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1790 S HB	<b>Title:</b> Temporary license plates
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## Estimated Cash Receipts

NONE

## 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	316,000	.0	0	0	524,000	.0	0	0	524,000
Department of Corrections	Fiscal note not available											
Department of Transportation	Fiscal note not available											
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>316,000</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>524,000</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>524,000</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
Department of Corrections	Fiscal note not available								
Department of Transportation	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

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

<b>Bill Number:</b> 1790 S HB	<b>Title:</b> Temporary license plates	<b>Agency:</b> 240-Department of Licensing
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
<b>Account</b>					
Motor Vehicle Account-State 108 -1	0	316,000	316,000	524,000	524,000
<b>Total \$</b>	0	316,000	316,000	524,000	524,000

### Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- ☐ 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: 03/01/2022
Agency Preparation: Don Arlow	Phone: (360) 902-3736	Date: 03/02/2022
Agency Approval: Gerrit Eades	Phone: (360)902-3863	Date: 03/02/2022
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 03/02/2022

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	316,000	316,000	524,000	524,000
Total \$			0	316,000	316,000	524,000	524,000

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		316,000	316,000	524,000	524,000
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	316,000	316,000	524,000	524,000

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: SHB 1790

Bill Title: Temporary license plates

## Part 1: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts:

NONE

### 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	-	316,000	316,000	524,000	524,000
Account Totals		-	316,000	316,000	524,000	524,000

*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: Steven Puvogel	Phone: (360) 701-6459	Date: 3/1/2022
Agency Preparation: Don Arlow	Phone: (360) 902-3736	Date: 3/2/2022
Agency Approval: Gerrit Eades	Phone: (360) 902-3931	Date: 3/2/2022

Request #	1
Bill #	1790 SHB

## **Part 2 – Explanation**

This bill allows for the creation of temporary license plates and requires dealers and the Department of Licensing (DOL) to issue temporary license plates instead of temporary permits starting July 1, 2023.

**SHB 1790 compared to HB 1790:** SHB 1790 replaces references to temporary permit fees with temporary license plate fees. The substitute bill also defines temporary operating authority as a credential issued under proportional registration for temporary evidence of apportioned registration. These changes do not impact the department’s fiscal note.

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

Section 1 adds a new section in Chapter 46.04 RCW to define “license plate”. The definition excludes “temporary license plates” and metal tags issued to WATVs.

Section 2 adds a new section in Chapter 46.04 RCW to define “temporary license plate.”

Section 3 adds a new section that defines “temporary operating authority” as a paper or electronic credential issued under Chapter 46.87 RCW that conforms with international registration plan requirements for temporary evidence of apportioned registration.

Section 4 amends RCW 46.16A.300 to:

- Replace authority to issue temporary permits with authority to issue temporary license plates as described in Section 4.
- Require all temporary plates to be generated using a secure permitting system so that vehicle dealers may generate and print such plates on demand.

Section 5 amends RCW 46.16A.305 to:

- Modifies the relevant references of “temporary permits” to the new term “temporary license plates.”
- Require the temporary license plate to be displayed the same as a permanent license plate.
- Require the temporary license plate to be composed of material that is “durable” and “remain[s] unaltered in field conditions for a minimum of four months.”
- Grant discretionary rulemaking authority to DOL related to design and display of temporary license plates.

Section 6 amends RCW 46.17.400 to add references to temporary license plates: amends fee list to include temporary plates.

Section 7 amends RCW 46.68.450 to replace references to temporary permit fees with temporary license plate fees.

Section 8 establishes an effective date of July 1, 2023.

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

This bill will not have a cash receipts impact for the department since fee structures remain the same.

## **2.C – Expenditures**

The bill establishes temporary license plates printed on durable paper and displayed on the car in the same manner as permanent plates, instead of current dealer and department permits displayed in the corner of the back window. The department will replace current paper stock used to temporary permit displays with stock that meets the requirements of the bill. The print vendor under contract with the department will require one-time costs to configure equipment to meet the requirements of the bill.

Under current law automobile dealers purchase temporary dealer permits from a vehicle licensing office. Customers will use these temporary permits, typically seen in a rear vehicle window, until their registration transaction is completed, and license plates are provided. The department also issues temporary permits for those choosing to obtain a special or personalized plate, for use while their plates are in production. For FY 2021 the department supplied approximately 865,650 such temporary permits. It is assumed this level of activity will be ongoing. Current costs for paper stock at \$0.16 per sheet are \$138,500 per year.

DOL received a preliminary figure of \$0.20 per sheet for stock that would meet this bill's requirements, for an estimated cost of \$346,000 per year assuming temporary plates for both front and back of the vehicle. The net increase to supply stronger stock to withstand exposure to the elements for up to four months is \$207,500 annually.

DOL's managed print vendor has provided a preliminary estimate of \$220,000 for one-time modifications to printer equipment.

### **Information Services:**

This bill will require modifications to DRIVES. 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	-	9,000	-	-	-	-	9,000
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	-	10,400	-	-	-	-	10,400
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	-	2,800	-	-	-	-	2,800
<b>Totals</b>			-	<b>30,800</b>	-	-	-	-	<b>30,800</b>

What DOL will implement:

1. Create new Template "Temporary License Plate "
2. New logic for issuance of Temporary License Plate to Vehicle Types Automobile and Truck
3. New logic to print two Temporary Licensed Plates per transaction (for front and back of vehicle).
4. Modify logic for existing Department Temp/Dealer permit issuance, removing automobiles and trucks.
5. Modify Dealer eService logic to issue Temporary License Plate when applicable

### 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.

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).

## 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	-	316,000	316,000	524,000	524,000
<b>Account Totals</b>		-	<b>316,000</b>	<b>316,000</b>	<b>524,000</b>	<b>524,000</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	-	316,000	316,000	524,000	524,000
<b>Total By Object Type</b>	-	<b>316,000</b>	<b>316,000</b>	<b>524,000</b>	<b>524,000</b>



### **3.C – FTE Detail**

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

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

None.

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

DOL may adopt rules for the design and display of the temporary license plates. No additional resources are required for this effort.