

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5017 SB	<b>Title:</b> Motor vehicles sales tax use
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## Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Revenue	(2,009,600,000)	(2,009,600,000)	0	(2,936,700,000)	(2,936,700,000)	0	(3,059,400,000)	(3,059,400,000)	0
<b>Total \$</b>	<b>2,009,600,000</b>	<b>(2,009,600,000)</b>	<b>0</b>	<b>(2,936,700,000)</b>	<b>(2,936,700,000)</b>	<b>0</b>	<b>(3,059,400,000)</b>	<b>(3,059,400,000)</b>	<b>0</b>

## Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Revenue	.7	242,800	242,800	242,800	.3	54,000	54,000	54,000	.3	54,000	54,000	54,000
Department of Licensing	.0	0	0	23,000	.0	0	0	0	.0	0	0	0
Department of Transportation	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>0.7</b>	<b>242,800</b>	<b>242,800</b>	<b>265,800</b>	<b>0.3</b>	<b>54,000</b>	<b>54,000</b>	<b>54,000</b>	<b>0.3</b>	<b>54,000</b>	<b>54,000</b>	<b>54,000</b>

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Department of Transportation	.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 Sieferring, OFM	<b>Phone:</b> (360) 995-3825	<b>Date Published:</b> Final
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5017 SB	<b>Title:</b> Motor vehicles sales tax use	<b>Agency:</b> 090-Office of State Treasurer
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## Part I: Estimates

No Fiscal Impact

**Estimated Cash Receipts to:**

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

**Estimated Operating Expenditures from:**

NONE

**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: Jeffrey Mitchell	Phone: 360-786-7438	Date: 01/09/2023
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 01/12/2023
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 01/12/2023
OFM Review: Amy Hatfield	Phone: (360) 000-0000	Date: 01/13/2023

## Part II: Narrative Explanation

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

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

SB 5017 directs the retail sales and use taxes on motor vehicles to the motor vehicle fund to be used for highway purposes.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

Refer to the department of revenue fiscal note for collection and distribution estimates (coordinated with DOR).

There may be an impact on the debt service limitation calculation. Modifications to the sales & use taxes credited to the general fund and the earnings from investments credited to the general fund impacts, by an equal amount, general state revenues.

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

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

NONE

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals 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

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

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

NONE

## **Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Department of Revenue Fiscal Note

<b>Bill Number:</b> 5017 SB	<b>Title:</b> Motor vehicles sales tax use	<b>Agency:</b> 140-Department of Revenue
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
GF-STATE-State 01 - Taxes 01 - Retail Sales Tax	(583,400,000)	(1,426,200,000)	(2,009,600,000)	(2,936,700,000)	(3,059,400,000)
Motor Vehicle Account-State 01 - Taxes 01 - Retail Sales Tax	583,400,000	1,426,200,000	2,009,600,000	2,936,700,000	3,059,400,000
<b>Total \$</b>					

### Estimated Expenditures from:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.8	0.5	0.7	0.3	0.3
GF-STATE-State 001-1	197,000	45,800	242,800	54,000	54,000
<b>Total \$</b>	197,000	45,800	242,800	54,000	54,000

### 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:

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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).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Jeffrey Mitchell	Phone: 60-786-7438	Date: 01/09/2023
Agency Preparation: Diana Tibbetts	Phone: 60-534-1520	Date: 01/12/2023
Agency Approval: Valerie Torres	Phone: 60-534-1521	Date: 01/12/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/12/2023

Request # 5017-1-1

## Part II: Narrative Explanation

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

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

#### CURRENT LAW:

State retail sales and use tax on the sales of vehicles is generally deposited into the state general fund.

#### PROPOSAL:

Beginning in fiscal year 2024, this legislation redirects the state portion of retail sales and use tax generated from the sales and use of new and used vehicles, excluding car rentals, from the state general fund to the motor vehicle fund to be used for highway purposes only.

#### EFFECTIVE DATE:

This bill contains an emergency clause and takes effect July 1, 2023. However, due to the time it will take to program this bill's changes, the Department of Revenue (department) is unable to implement the bill until January 1, 2024.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

#### ASSUMPTIONS

- The redirected state portion of retail sales and use tax excludes sales tax from sales of farm vehicles, off-road vehicles, non-highway vehicles, bicycles, and snowmobiles.
- This proposal does not change local sales and use tax revenues.
- The performance audits of government account receives a 0.16% share of retail sales and use tax collections. The redirected state portion of retail sales and use tax excludes the amount the performance audits of government account receives.
- Currently, tribes with compacts receive a share of state sales and use tax and certain business and occupation taxes (RCW 43.06.523). Under this proposal the amount of revenue shared with tribes will not change.
- This estimate includes five months of impacted collections in fiscal year 2024 because the department is unable to implement the bill until January 1, 2024.

#### DATA SOURCES

- Transportation Revenue Forecast Council, November 2022 Transportation Economic and Revenue Forecasts

#### REVENUE ESTIMATES

This legislation decreases the general fund by redirecting certain state retail sales and use tax revenue from vehicle sales to the motor vehicle fund.

#### TOTAL REVENUE IMPACT:

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

FY 2024 - 0  
FY 2025 - 0  
FY 2026 - 0  
FY 2027 - 0  
FY 2028 - 0  
FY 2029 - 0

Local Government, if applicable (cash basis, \$000): None.

**II. C - Expenditures**

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

**ASSUMPTIONS:**

- This legislation will affect 4,000 taxpayers.
- The department is unable to implement the new tax return reporting lines for this legislation until January 1, 2024.

**FIRST YEAR COSTS:**

The department will incur total costs of \$197,700 in fiscal year 2024. These costs include:

- Labor Costs - Time and effort equate to 0.8 FTE.
  - Set up, program, and test computer system changes.
  - Create two new informational reporting lines, associated error indicators, and dedicated funding.
  - Review reports, scrutinize data, examine accounts, and make corrections as necessary.
    - Process tax return work items; assist taxpayers with reporting questions; and respond to inquiries via email, web message, and paper correspondence.
    - Answer additional phone calls and counter inquiries on tax questions and tax return preparation from businesses, individuals, and accountants.

Object Costs - \$105,800.

- Contract computer system programming.
- Printing and postage.

**SECOND YEAR COSTS:**

The department will incur total costs of \$45,800 in fiscal year 2025. These costs include:

- Labor Costs - Time and effort equate to 0.5 FTE.
  - Continued programming and testing computer system changes.
  - Monitor vehicle sales reporting.
  - Contact taxpayers not reporting vehicle informational line codes.

**ONGOING COSTS:**

Ongoing costs for the 2025-27 biennium equal \$54,000 and include similar activities described in the second-year costs. Time and effort equate to 0.3 FTEs in each year.

**Part III: Expenditure Detail**

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.8	0.5	0.7	0.3	0.3
A-Salaries and Wages	55,000	29,100	84,100	34,600	34,600
B-Employee Benefits	18,100	9,600	27,700	11,400	11,400
C-Professional Service Contracts	105,600		105,600		
E-Goods and Other Services	12,700	5,500	18,200	6,200	6,200
J-Capital Outlays	5,600	1,600	7,200	1,800	1,800
<b>Total \$</b>	<b>\$197,000</b>	<b>\$45,800</b>	<b>\$242,800</b>	<b>\$54,000</b>	<b>\$54,000</b>

**III. B - Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

<b>Job Classification</b>	<b>Salary</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>2023-25</b>	<b>2025-27</b>	<b>2027-29</b>
EXCISE TAX EX 2	55,872	0.3	0.3	0.3	0.2	0.2
EXCISE TAX EX 3	61,632	0.2	0.2	0.2	0.1	0.1
IT SYS ADM-JOURNEY	92,844	0.2		0.1		
MGMT ANALYST4	73,260	0.1		0.1		
<b>Total FTEs</b>		<b>0.8</b>	<b>0.5</b>	<b>0.7</b>	<b>0.3</b>	<b>0.3</b>

**III. C - 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**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**Part V: New Rule Making Required**

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5017 SB	<b>Title:</b> Motor vehicles sales tax use	<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 2024	FY 2025	2023-25	2025-27	2027-29
<b>Account</b>					
Highway Safety Account-State 106 -1	23,000	0	23,000	0	0
<b>Total \$</b>	23,000	0	23,000	0	0

### Estimated Capital Budget Impact:

NONE

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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).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Jeffrey Mitchell	Phone: 360-786-7438	Date: 01/09/2023
Agency Preparation: Aaron Harris	Phone: (360) 902-3795	Date: 01/12/2023
Agency Approval: Gerrit Eades	Phone: (360)902-3863	Date: 01/12/2023
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 01/13/2023

## Part II: Narrative Explanation

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

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

Please see attached fiscal note.

### II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

### II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Please see attached fiscal note.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
106-1	Highway Safety Account	State	23,000	0	23,000	0	0
<b>Total \$</b>			23,000	0	23,000	0	0

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services	23,000		23,000		
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-					
<b>Total \$</b>	23,000	0	23,000	0	0

**III. C - Operating FTE Detail:** FTEs listed by classification and corresponding annual compensation. Totals 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**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

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

NONE

## **Part V: New Rule Making Required**

*Provisions of the bill 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: 5017 SB

Bill Title: Motor Vehicles Sales Tax Use

**Part 1: Estimates**

No Fiscal Impact

**Estimated Cash Receipts:**

Revenue	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
<b>Account Totals</b>		-	-	-	-	-

**Estimated Expenditures:**

Operating Expenditures	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Highway Safety	106	23,000	-	23,000	-	-
<b>Account Totals</b>		<b>23,000</b>	-	<b>23,000</b>	-	-

*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: 01/11/2023
Agency Approval: Gerrit Eades	Phone: (360) 902-3931	Date:

Request #	1
Bill #	5017 SB

## Part 2 – Explanation

This bill directs standard sales and use tax revenues raised from the sale of new and used vehicles to the motor vehicle fund. These revenues must be used for highway purposes as defined by RCW 46.68.130.

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

Section 1: Amends RCW 82.08.020 (Tax imposed—Retail sales—Retail car rental.)

- Moves a definition of “motor vehicle,” and related exemptions to subsection 3(b) from subsection 4.
- Creates new subsection 4 to require that all revenue collected under subsection 1 (sales tax) for the sale of each new and used retail sale, including private party sales, to be deposited into the motor vehicle fund.
  - Limits the use of these funds to highway purposes as defined in RCW 46.68.130.
  - Excludes retail car rentals.
  - Establishes a definition of “vehicle” for this subsection where “vehicle” means the same as provided in RCW 446.04.670 but excludes farm tractors/vehicles unless the vehicle is used for marijuana production, off road vehicles, nonhighway vehicles, bicycles, and snowmobiles.

Section 2: Amends RCW 82.12.020 (Use tax imposed)

- Establishes a new subsection 6 to require that all revenue collected under subsection 1 (use tax) for the use of each new and used vehicle in Washington to be deposited into the motor vehicle fund.
  - Limits the use of these funds to highway purposes as defined in RCW 46.68.130.
  - Excludes retail car rentals.
  - Establishes a definition of “vehicle” for this subsection where “vehicle” means the same as provided in RCW 446.04.670 but excludes farm tractors/vehicles unless the vehicle is used for marijuana production, off road vehicles, nonhighway vehicles, bicycles, and snowmobiles.

Section 3: Amends RCW 46.68.090 (Distribution of statewide fuel taxes.)

- Adds a reference to the tax earmarks established in Sections 1 and 2 so that revenues raised pursuant to the new subsections must be spent in accordance with fuel tax procedures established in RCW 46.68.090.

Section 4: New Section (Effective Date)

- Effective July 1, 2023.

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

Revenue	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
	Account Totals	-	-	-	-	-

This bill redirects revenues from motor vehicle sales tax and vehicle use tax to a Motor vehicle fund. Revenue collected for the Department of Revenue (DOR) associated with sales and use tax are pass-through only for the Department of Licensing (DOL). DOR will capture any revenue receipts associated with these fees. Therefore, no impact to cash receipts for DOL.

## **2.C – Expenditures**

Section 1 and section 2 redirect revenue from motor vehicle sales tax and vehicle use tax to a motor vehicle fund. This change in distribution will begin July 1, 2023, and all tax revenue collected on each new and used retail sale of a vehicle in this state will be deposited in the motor vehicle fund.

### **Information Services:**

What IS Will Implement:

Change distribution beginning July 1, 2023, all tax revenue collected on each new and used retail sale of a vehicle in this state, to be deposited in the motor vehicle fund.

Assumptions:

1. No change to Vehicle meaning provided in RCW 46.04.670 including, but not limited to,
  - passenger vehicles,
  - light trucks,
  - commercial vehicles,
  - travel trailers,
  - recreational vehicles,
  - intermittent use trailers,
  - motorcycles,
  - and campers
  
2. No change to current exemptions (Current programming already in DRIVES):
  - Farm tractors or farm vehicles as defined in RCW 46.04.180 38 and 46.04.181, unless the farm tractor or farm vehicle is for use in the production of marijuana
  - Off-road vehicles as defined in RCW 46.04.365; p. 4 SB 5068 1
  - Nonhighway vehicles as defined in RCW 46.09.310; 2
  - Bicycles as defined in RCW 46.04.071; and
  - Snowmobiles as defined in RCW 46.04.546.
  
3. Rental Cars are exempt from this distribution change only.

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	2024	2025	2026	2027	2028	2029	Total Cost
TESTER	Test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	\$ 22,620	4,500	-	-	-	-	-	4,500
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.	\$ 37,236	7,400	-	-	-	-	-	7,400
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%	\$ 25,474	2,100	-	-	-	-	-	2,100
<b>Totals</b>			<b>22,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,600</b>

### Support Services:

Agency Administrative Overhead is included at a rate of 23.4 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

Operating Expenditures	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Highway Safety	106	23,000	-	23,000	-	-
<b>Account Totals</b>		<b>23,000</b>	<b>-</b>	<b>23,000</b>	<b>-</b>	<b>-</b>

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

Object of Expenditure	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Goods and Services	23,000	-	23,000	-	-
<b>Total By Object Type</b>	<b>23,000</b>	<b>-</b>	<b>23,000</b>	<b>-</b>	<b>-</b>

### 3.C – FTE Detail

Staffing	Salary	FY 24	FY 25	23-25 Total	25-27 Total	27-29 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>

## Part 4 – Capital Budget Impact

None.

**Part 5 – New Rule Making Required**

None.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5017 SB	<b>Title:</b> Motor vehicles sales tax use	<b>Agency:</b> 405-Department of Transportation
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

NONE

**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: Jeffrey Mitchell	Phone: 360-786-7438	Date: 01/09/2023
Agency Preparation: Ruslan Makhoulf	Phone: 360-705-6813	Date: 01/11/2023
Agency Approval: Amber Coulson	Phone: 360-705-7525	Date: 01/11/2023
OFM Review: Erik Hansen	Phone: (360) 810-0883	Date: 01/16/2023

## Part II: Narrative Explanation

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

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

See attached WSDOT fiscal note.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

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

NONE

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals 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

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

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

NONE

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5017 SB	<b>Title:</b> Motor Vehicle Sales Tax	<b>Agency:</b> 405-Department of Transportation
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## Part I: Estimates

Use the fiscal tables provided below to show fiscal impact by account, object, and program (if necessary), **add rows if needed**. For **NO FISCAL IMPACT**, check the box below, skip fiscal tables, and go to **Part II to explain briefly**, why the program believes there will be no fiscal impact to the department. Check applicable boxes and follow corresponding instructions:

- NO FISCAL IMPACT**  
 **PARTIALLY INDETERMINATE**  
 **INDETERMINATE**

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.

- 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. (This section refers to the State Capital Budget not the Transportation Budget Capital Budget funding.)
- Requires new rule making, complete Part V.

### Agency Assumptions:

N/A

### Agency Contacts:

Agency Preparer: Ruslan Makhoulouf	Phone: 3607057123	Date: 1/10/2023
Agency Approval: Amber Coulson	Phone: 3607427534	Date: 1/11/2023
Agency Budget Analyst: Chad Johnson	Phone: 3602593886	Date: 1/11/2023

## Part II: Narrative Explanation

### II. A - Brief description of what the measure does that has fiscal impact

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

Section 1: shifts the deposit of retail sales tax collected on new and used retail vehicle sales from the general fund to the Motor Vehicle fund.

Section 2: shifts the deposit of use tax collected on each new and used vehicle in the state, except for retail car rentals under RCW 82.08.020 from the general fund to the motor vehicle fund.

Section 3: makes the moneys accrued to the motor vehicle funds from tax imposed under RCW 82.08.020(4) and 82.12.020(6) subject to spending and distribution priorities outlined in this section.

This proposal is effective July 1, 2023

# Individual State Agency 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.*

The Department of Revenue collects the cash receipts for the sales and use tax; therefore, the cash receipts impact will be reflected in Department of Revenue's fiscal note. No cash receipts impact to Washington State Department of Transportation.

## **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.*

WSDOT facilitates the Transportation Revenue Forecast Council, which will reflect these modifications to the revenue sources in the Quarterly Transportation Revenue Forecasts. No additional WSDOT resources are needed to implement this policy.

## **Part III: Expenditure Detail**

### **III. A - Expenditures by Object or Purpose**

N/A

## **Part IV: Capital Budget Impact**

N/A

## **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.*

N/A