

Multiple Agency Fiscal Note Summary

Bill Number: 1264 HB	Title: Solid waste customers/rates
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Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	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	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Utilities and Transportation Commission	.6	0	0	169,219	.2	0	0	60,370	.0	0	0	6,622
Total \$	0.6	0	0	169,219	0.2	0	0	60,370	0.0	0	0	6,622

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	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 Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Utilities and Transportation Commission	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	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 Capital Budget Breakout

NONE

Prepared by: Tiffany West, OFM	Phone: (360) 890-2653	Date Published: Final
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Individual State Agency Fiscal Note

Bill Number: 1264 HB	Title: Solid waste customers/rates	Agency: 215-Utilities and Transportation Commission
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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
FTE Staff Years	0.6	0.5	0.6	0.2	0.0
Account					
Public Service Revolving Account-State 111-1	85,286	83,933	169,219	60,370	6,622
Total \$	85,286	83,933	169,219	60,370	6,622

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: Jacob Lipson	Phone: 360-786-7196	Date: 01/16/2023
Agency Preparation: Kim Anderson	Phone: 360-664-1153	Date: 01/20/2023
Agency Approval: Kim Anderson	Phone: 360-664-1153	Date: 01/20/2023
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 01/25/2023

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.

Section 1 requires each county to make available on the county website, for portions of the jurisdiction subject to regulation under RCW 81.77, summary information in a form proscribed by the commission that details whether the fees and rates borne by customer classes of single family, multi-family, and commercial are proportionate to the costs of providing services to those classes of customers, and an explanation of why the fees and rates have been fixed in a manner that does not result in proportionate costs. The section also requires the summary information to be provided to the commission by January 1, 2025, and that the summary information must be updated upon changes in the rates and fees and submitted to the commission within 30 days of each update after January 1, 2025.

Sections 2 and 3 requires each city (under RCW 35 and 35A respectively) to make available on the city website summary information in a form proscribed by the commission that details whether the fees and rates borne by customer classes of single family, multi-family, and commercial are proportionate to the costs of providing services to those classes of customers, and an explanation of why the fees and rates have been fixed in a manner that does not result in proportionate costs. The section also requires the summary information to be provided to the commission by January 1, 2025, and that the summary information must be updated upon changes in the rates and fees and submitted to the commission within 30 days of each update after January 1, 2025.

Section 4 requires the commission to do the following:

(1) Develop guidance by July 1, 2024, for use by the cities and counties and towns for displaying the summary information required under sections 1-3.

(2) Received updated information from cities, towns and counties.

(3) Provide a report to the appropriate committees of the legislature by November 1, 2025, that:

(a) identifies the number of counties, cities, and towns whose rates are determined to be proportionate; the number of counties, cities, and towns whose rates are determined to not be proportionate; any counties, cities, or towns that have not provided the information as required in this act.

(b) Provides best practices for counties, cities, and towns to follow to ensure equity and proportionality in fees and rates assessed to different classes of customers.

(c) Provides any changes to state statutes, rules, or guidance or to local government discretionary practices governing solid waste fees and rates that would increase equity and proportionality of fees and rates.

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.

No cash receipt impact.

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.

Section 1

Solid waste collection rates for areas subject to regulation under RCW 81.77 are set by the commission, so counties would not have the necessary cost and revenue data to make a determination of proportionality and would have to request that data from the commission. There are 67 solid waste company tariffs covering solid waste collection rates (including recycling and yard waste) in the 39 counties. Staff would need to research and provide data from the most recent rate case for each company, which could be complicated by subsequent disposal fee changes. Cities that do not provide service

through their own resources or contract would be included in the territory covered by UTC tariffs. It is assumed that Cities that provide their own solid waste services would have the necessary data to comply with the measure.

The commission assumes an average of 4 hours to research and collect the data for each company tariff and 1 hour per request to provide data to the requestor.

Subsection (3) states that the summary information provided on the website must be updated upon changes to the rates. The commission typically receives 5-10 general rate filings per year, and 20-30 disposal fee filings per year. Assume 10 filings per year that would require updated information to be provided to counties.

FY2024 - \$20,269, and each subsequent year - \$3,331
(FY2024 - Regulatory Analyst 3 - 0.16 FTE, subsequent years – Regulatory Analyst 3 - 0.02 FTE)

Section 4

Under subsection (1) the commission must provide guidance and a standard form for cities and counties to display the information as required in Sections 1-3.

Under subsection (2) each city and county must provide their information to the commission.

The commission would have to develop a form that would be simple to utilize, would be able to be posted on varying websites, and would also serve as a collection vessel to provide the information to the commission. It is assumed that an electronic form that will compile to a SharePoint list would be developed. Depending upon the stringency of security requirements from the Office of the Chief Information Officer, development costs may increase. There would be a requirement for ongoing maintenance of the form and application but assuming the simple form contemplated, support would be minimal. If requirements of the OCIO are more stringent, then support costs would increase accordingly.

FY2024 - \$63,215
(IT Project Manager - 0.04 FTE; Journey IT Developer - 0.2 FTE; IT Development Manager - 0.05 FTE; Senior Regulatory Advisor - 0.10 FTE; Deputy Director, Regulatory Services - 0.02 FTE)

Section 4(3) requires that by November 1, 2025, the commission must provide a report to the legislature of the number of cities and counties with proportionate rates; number of cities and counties with non-proportionate rates; the cities or counties that did not provide the data; any changes to state statutes, rules, or guidance or to local government discretionary practices governing solid waste fees and rates that would increase the equity and proportionality of fees and rates borne by different classes of customers across all local government jurisdictions in Washington.

There are two elements to the report: collecting and collating the data, and providing recommendations on changes to statutes, rules, and local government discretionary practices governing solid waste fees and rates. Collecting the data and formatting the report would amount to an estimated 25% of the effort; The remaining 75% of the effort would be researching and analyzing existing statutes, rules, and local government discretionary practices and developing recommendations. The measure does not indicate if future reports would be required. It is assumed there would be one report for the purposes of this analysis.

FY2025 - \$80,622 and FY2026 - \$53,748
(Policy Advisor - 0.42 FTE; Senior Regulatory Advisor - 0.21 FTE; Commissioner - 0.04 FTE; Deputy Director, Regulatory Services - 0.08 FTE; Assistant Director, Policy - 0.10 FTE; Director, Administrative Law and Policy - 0.01 FTE)

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
111-1	Public Service Revolving Account	State	85,286	83,933	169,219	60,370	6,622
Total \$			85,286	83,933	169,219	60,370	6,622

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.6	0.5	0.6	0.2	0.0
A-Salaries and Wages	58,018	57,097	115,115	41,067	4,504
B-Employee Benefits	20,306	19,984	40,290	14,373	1,576
C-Professional Service Contracts					
E-Goods and Other Services	6,962	6,852	13,814	4,930	542
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 \$	85,286	83,933	169,219	60,370	6,622

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 2024	FY 2025	2023-25	2025-27	2027-29
Asst. Director, Policy	110,064		0.1	0.0	0.0	
Commissioner	168,012		0.0	0.0	0.0	
Deputy Director Regulatory Services	101,136	0.0	0.1	0.0	0.0	
Director, Administrative Law & Policy	134,772		0.0	0.0	0.0	
IS Project Manager	107,676	0.0		0.0		
IT App Development - Journey	100,032	0.2		0.1		
IT App Development - Manager	127,656	0.1		0.0		
Policy Advisor	100,008		0.3	0.1	0.1	
Regulatory Analyst 3	93,840	0.2	0.0	0.1	0.0	0.0
Senior Regulatory Advisor/Analyst	99,480	0.1	0.1	0.1	0.0	
Total FTEs		0.6	0.5	0.6	0.2	0.0

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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1264 HB

Title: Solid waste customers/rates

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

Legislation Impacts:

- Cities: Cities that provide solid waste handling
- Counties: Counties that provide solid waste handling
- Special Districts: Solid Waste Collection and Solid Waste Disposal 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: The amount of staff time it would take to draft solid waste rate proportionality summaries and upload them to utility websites

Estimated revenue impacts to:

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

Estimated expenditure impacts to:

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

Part III: Preparation and Approval

Fiscal Note Analyst: Chelsea Mickel	Phone: 518-727-3478	Date: 01/20/2023
Leg. Committee Contact: Jacob Lipson	Phone: 360-786-7196	Date: 01/16/2023
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 01/20/2023
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 01/20/2023

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This bill aims to ensure equitable treatment for different categories of solid waste utility customers under local solid waste collection rates.

Section 1 states that counties must make their solid waste website summaries publicly available to jurisdiction residents who are subject to solid waste collection rates. The summaries must be consistent with state utilities and transportation commission (UTC) standards, and detail whether the fee and rate costs borne by different categories of solid waste utility customers are proportionate to the costs of providing services to each category of customer. These categories include single-family, multifamily and commercial customers. If fees are not proportionate to costs of service for a particular customer category, the summary must explain why. Summaries must then be submitted to the UTC, and must be updated to reflect any rate changes.

Section 2 states that cities or towns that provide solid waste handling are subject to the same requirements listed in the prior section.

Section 3 introduces language to the RCW affecting code cities, subjecting cities to the same requirements listed in the prior two sections.

Section 4 states that the UTC must develop guidelines for the standardization of summary information related to the proportionality of solid waste rates and fees for cities, towns and counties. The guidelines must include methodology for assessing fee proportionality in these jurisdictions by July 1, 2024.

The UTC must submit a report detailing which jurisdictions apportion rates equitably, those that do not, and those that fail to report the required information. This report is also expected to recount best practices for ensuring equity and proportionality in solid waste rates for all solid waste customers. It must also address any changes to state statutes, rules or guidance for local government practices related to solid waste fees that would increase equity and proportionality.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This bill would have indeterminate expenditure impacts on local governments.

Drafting summaries on fee proportionality and uploading them to utility websites may require increased staff time. However, these tasks may fall under the purview of current staff, and thus some local governments would not incur additional costs. Cities that control their solid waste set rates and fees that are approved by city councils. Some solid waste collection facilities, such as Seattle Public Utilities already lists solid waste collection rates by category (single family, multifamily, and commercial). Single family rates vary by the size and quantity of garbage cart sizes, as well as whether the resident has curb/alley pickup or backyard pickup. Multifamily garbage dumpster rates vary by the size and quantity, as well as the frequency of pickups.

Some utilities do not separate utility customers by distinct categories; multi-family customers are often not categorized as a separate rate-class from single family customers. Service classes vary by truck type. Although it is typical for single-family solid waste to be collected solely by one type of truck, which makes the customer and service class essentially the same, commercial, multi-family and mixed-use properties are serviced by three different truck types in a blended customer class. This can make it difficult to categorize waste collection costs that do not fall under the 'single family' service class. For multifamily residences, rent and solid waste fees are part of lease agreements set by the owner of the property, and do not necessarily reflect the actual rate set by the utility. Some utilities, such as Tacoma Public Utilities, categorize customers into residential and commercial categories, but do not delineate between single family and

multifamily customers. Utilities that do not already categorize solid waste customers as described in the bill would incur costs to do so, but the extent of these costs in terms of staff time and data collection is unknown.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

This bill would have indeterminate, but likely de minimis, revenue impacts on local governments.

If costs are incurred by utilities to gather the required data, draft and post summaries, and submit summaries to the UTC, utilities may pass the costs on to the customer by increasing fee rates. However, we do not know which, if any, utilities would increase rates so that revenues offset costs, or if the rate increases would be significant. There are no direct revenue impacts for local governments under the provisions of this bill.

SOURCES

Association of Washington Cities
Municipal Research Services Center
Revised Code of Washington, RCW 36.58
Seattle Public Utilities
Tacoma Public Utilities
Washington Public Utility Districts Association