

Multiple Agency Fiscal Note Summary

Bill Number: 1736 HB	Title: Vehicle odometer readings
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Estimated Cash Receipts

NONE

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
Department of Licensing	.3	0	0	286,000	.4	0	0	104,000	.4	0	0	104,000
Total \$	0.3	0	0	286,000	0.4	0	0	104,000	0.4	0	0	104,000

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
Department of Licensing	.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

Prepared by: Kyle Siefering, OFM	Phone: (360) 995-3825	Date Published: Final 2/13/2023
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Individual State Agency Fiscal Note

Bill Number: 1736 HB	Title: Vehicle odometer readings	Agency: 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
FTE Staff Years	0.1	0.4	0.3	0.4	0.4
Account					
Motor Vehicle Account-State 108 -1	234,000	52,000	286,000	104,000	104,000
Total \$	234,000	52,000	286,000	104,000	104,000

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: Michael Hirsch	Phone: 360-786-7195	Date: 02/06/2023
Agency Preparation: Aaron Harris	Phone: (360) 902-3795	Date: 02/13/2023
Agency Approval: Gerrit Eades	Phone: (360)902-3863	Date: 02/13/2023
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 02/13/2023

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
108-1	Motor Vehicle Account	State	234,000	52,000	286,000	104,000	104,000
Total \$			234,000	52,000	286,000	104,000	104,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1	0.4	0.3	0.4	0.4
A-Salaries and Wages	5,000	23,000	28,000	46,000	46,000
B-Employee Benefits	2,000	10,000	12,000	20,000	20,000
C-Professional Service Contracts					
E-Goods and Other Services	226,000	19,000	245,000	38,000	38,000
G-Travel					
J-Capital Outlays	1,000		1,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	234,000	52,000	286,000	104,000	104,000

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Customer Service Specialist 2	46,980	0.1	0.3	0.2	0.3	0.3
Management Analyst 5	91,524		0.1	0.1	0.1	0.1
Total FTEs		0.1	0.4	0.3	0.4	0.4

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: 1736 HB

Bill Title: Vehicle Registration and Renewal Odometer Readings

Part 1: Estimates

No Fiscal Impact

Estimated Cash Receipts:

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

Estimated Expenditures:

		FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
FTE Staff Years		0.1	0.4	0.3	0.4	0.4
Operating Expenditures	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Motor Vehicle	108	234,000	52,000	286,000	104,000	104,000
Account Totals		234,000	52,000	286,000	104,000	104,000

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: 02/09/23
Agency Approval: Gerrit Eades	Phone: (360) 902-3931	Date: 02/09/23

Request #	1
Bill #	1736 HB

Part 2 – Explanation

This bill requires vehicle owners to report the current odometer readings to the Department of Licensing (DOL) when applying for original registration or renewal, when registering a vehicle for on-road use. Effective March 1, 2024.

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

Section 1: Intent

Section 2: Amends RCW 46.16A.040 (Original registration—Application—Form and contents.)

- Amends requirements for original registration applications to include current odometer mileage if the application is for on-road use.

Section 3: Amends RCW 46.16A.110 (Registration renewal—Exemptions.)

- Amends requirements for registration renewal applications to include current odometer mileage if the application is for on-road use.

Section 4: Effective date

- Effective March 1, 2024.

2.B - Cash receipts Impact

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

This legislation has no impact to cash receipts. This bill requires vehicle owners to report their odometer reading at the time of original vehicle registration and registration renewal. There is no additional fee collection or revenue changes required.

2.C – Expenditures

Programs and Services Division (PSD):

What PSD Will Implement:

To implement this legislation, PSD will require an additional .30 FTE of a Customer Service Specialist 2 (CSS2).

Assumptions:

- PSD assumes there will be an exception process for vehicles that do not have an odometer or have nonfunctional odometers.
- Currently, Application and Issuance processes 20,640 transactions related to registration related transactions per year. PSD assumes that 1 out of 4 of those transactions would be rejected for omitted odometer readings or 5,160 rejections. PSD estimates a 5-minute additional touch time per transaction, which is 25800 minutes per year. Each FTE can complete 88320 minutes per year of work. This work would be completed by a CSS2 and would need .30 FTE based on estimated transactions.

Customer Relations Division (CRD):

The vehicle and vessel office will require keypads at each of the 866 workstations at the vehicle licensing offices to capture the customer's odometer input.

The estimated cost for keypads for 866 workstations plus 30 spare units for break and fix at \$51.00 per unit would total \$45,700 plus 10% tax \$4,570, equals \$50,270.

Director's Office (Research & Data Analytics Office):

Odometer readings are not protected data, therefore DOL will have to respond to data requests that are not currently possible to implement. This will result in additional workload to the Research and Analysis Office (RAO) and will require .1 FTE of a Management Analyst 5.

Information Services:

What IS Will Implement:

1. Modify screens and logic requiring collecting\storing odometer readings on vehicle registrations; both original and renewal transactions
2. Modify eServices, online renewals requiring the collection and storing of odometer readings.
3. Create standalone option to collect and store odometer readings.
4. Modify mailed in postcards with a box for customers to add their Odometer readings. Note - Need to add lead time for Renewal notices.

Assumptions:

1. Original and Renewal transactions will not proceed without Odometer.
2. No documentation needed from customer, only number provided and recorded in system.
3. On-road use vehicles only.
4. Historical odometer collections will be maintained.
5. Business will provide inserts for rejected mail-ins.
6. Business will account for increased mailing cost.
7. No exemptions were noted in bill.
8. Business will determine how to handle Federal Exempt vehicles.
9. Business will determine how to proceed if no odometer is available (damaged\not functioning).
10. Business will need account for backlog (mail ins without odometers).
11. Increased work will be in both Auditor and Vehicle Licensing Offices.

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	38,500	-	-	-	-	-	38,500
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	8,300	-	-	-	-	-	8,300
PROJECT MANAGER	Manage schedule and contracts	\$ 28,710	11,500	-	-	-	-	-	11,500
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	5,000	-	-	-	-	-	5,000
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	67,000	-	-	-	-	-	67,000
Trainer	Trains business partners and employees in new system processes and capabilities.	\$ 22,620	11,300	-	-	-	-	-	11,300
Project Contingency	Office of the Chief Information Officer designated rate of 10%	\$ 25,474	14,200	-	-	-	-	-	14,200
Totals			155,800	-	-	-	-	-	155,800

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
Motor Vehicle	108	234,000	52,000	286,000	104,000	104,000
Account Totals		234,000	52,000	286,000	104,000	104,000

3.B – Expenditures by Object or Purpose

Object of Expenditure	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
FTE Staff Years	0.1	0.4	0.3	0.4	0.4
Salaries and Wages	5,000	23,000	28,000	46,000	46,000
Employee Benefits	2,000	10,000	12,000	20,000	20,000
Goods and Services	226,000	19,000	245,000	38,000	38,000
Equipment	1,000	-	1,000	-	-
Total By Object Type	234,000	52,000	286,000	104,000	104,000

3.C – FTE Detail

Staffing	Salary	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Customer Service Specialist 2	46,980	0.1	0.3	0.2	0.3	0.3
Management Analyst 5	91,524	0.0	0.1	0.1	0.1	0.1
Total FTE		0.1	0.4	0.3	0.4	0.4

Part 4 – Capital Budget Impact

None.

Part 5 – New Rule Making Required

None.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1736 HB

Title: Vehicle odometer readings

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

Legislation Impacts:

- Cities:
- Counties: All county auditors that process on-road vehicle registrations and renewals.
- 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: The number of applications that do not include a legible odometer reading.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

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

Part III: Preparation and Approval

Fiscal Note Analyst: Kristine Williams	Phone: (564) 669-3002	Date: 02/13/2023
Leg. Committee Contact: Michael Hirsch	Phone: 360-786-7195	Date: 02/06/2023
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/13/2023
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 02/13/2023

Part IV: Analysis

A. SUMMARY OF BILL

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

The legislation would require vehicle odometer readings when a vehicle used for on-road use is registered and also each time the registration is renewed.

Sec.2 amends 46.16A.040 RCW to require that if a vehicle is used for on-road use, the odometer mileage shall be recorded when a vehicle registration application is processed.

Sec.3 amends 46.16A.110 to require that the odometer mileage for on-road use vehicles be recorded when a vehicle registration renewal application is processed.

Sec.4 adds a new section to state that this act becomes effective March 1, 2024.

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 legislation has an indeterminate impact on local government expenditures. The Local Government Fiscal Note Program anticipates that costs to process in-person and mail-in registration applications and renewals will increase. These additional costs will include costs associated with returning vehicle registration forms to owners for correction. A detailed estimate of mailing costs is provided below. These costs do not include staff time needed to prepare the rejection notices and to process additional forms as they are received.

According to data published on the Department of Licensing (DOL) website, there were 8,080,884 vehicles registered in the state during FY 2022. DOL has reported that a total of 465,577 mail-in registrations were processed in FY 2022, representing approximately 7.16% of the total vehicle registrations. County auditors from Spokane, Benton, and Douglas counties estimate that 50% of registration applications will be rejected in the first year requiring vehicle odometer numbers due to the number not being legible or the number is missing; 30% will be rejected the second year; and 20% for each year following. Based on the Office of the Secretary of State's (SOS) printing costs from PSB 5636 (2022)'s fiscal note, the total costs to mail a notice would be \$0.93. SOS's fiscal note states they used historical costs for similar types of mailings to estimate printing costs. Note that postage is updated to the current cost: \$0.63.

Itemized Print and Initial Postage Costs:

\$0.08 to print the notice.

\$0.11 to print outbound envelope.

\$0.11 to print the prepaid return envelope.

\$0.63 for postage (effective January 22, 2023)

Total: \$0.93 per notice sent.

The cost to mail notifications and forms is estimated to be \$0.93 per rejected application for a total of \$431,986 as follows

Year 1 - \$216,493 (465,577 x .5 x \$0.93)

Year 2 - \$129,896 (465,577 x .3 x \$0.93)

Year 3 (and beyond) - \$85,597 (465,577 x .2 x \$0.93)

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 legislation has no impact on local government revenue.

SOURCES

Benton County Auditor's Office
Douglas County Auditor's Office
Spokane County Auditor's Office
Washington State Department of Licensing
Local Government Fiscal Note 5209 (2023)