

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1688 HB	<b>Title:</b> Tow truck payments/indigent
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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
Department of Licensing	Non-zero but indeterminate cost and/or savings. Please see discussion.								
<b>Total \$</b>	0	0	0	0	0	0	0	0	0

## 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
Washington State Patrol	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Licensing	.0	0	0	86,000	.0	0	0	0	.0	0	0	0
Department of Licensing	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
<b>Total \$</b>	0.0	0	0	86,000	0.0	0	0	0	0.0	0	0	0

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Washington State Patrol	.0	0	0	.0	0	0	.0	0	0
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	0.0	0	0	0.0	0	0	0.0	0	0

## Estimated Capital Budget Breakout

<b>Prepared by:</b> Kyle Siefering, OFM	<b>Phone:</b> (360) 995-3825	<b>Date Published:</b> Revised 2/15/2023
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1688 HB	<b>Title:</b> Tow truck payments/indigent	<b>Agency:</b> 225-Washington State Patrol
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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: Michael Hirsch	Phone: 360-786-7195	Date: 02/06/2023
Agency Preparation: Thomas Bohon	Phone: (360) 596-4044	Date: 02/06/2023
Agency Approval: Mario Buono	Phone: (360) 596-4046	Date: 02/06/2023
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 02/07/2023

## 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.*

There is no fiscal impact to the Washington State Patrol (WSP).

The proposed legislation relates to the Department of Licensing (DOL) reimbursing tow truck operators for vehicles released to indigent citizens.

### 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.*

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.*

Though the proposed legislation has no fiscal impact to the WSP, if DOL changes WACs regarding tow truck operations, we may have increased costs in the annual inspections we conduct on registered tow truck operators.

## 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

Revised

<b>Bill Number:</b> 1688 HB	<b>Title:</b> Tow truck payments/indigent	<b>Agency:</b> 240-Department of Licensing
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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:

		FY 2024	FY 2025	2023-25	2025-27	2027-29
<b>Account</b>						
Motor Vehicle Account-State 108		86,000	0	86,000	0	0
-1						
<b>Total \$</b>		86,000	0	86,000	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

### 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.*

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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: Michael Hirsch	Phone: 360-786-7195	Date: 02/06/2023
Agency Preparation: Gina Rogers	Phone: 360-634-5036	Date: 02/15/2023
Agency Approval: Gerrit Eades	Phone: (360)902-3863	Date: 02/15/2023
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 02/15/2023

## 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 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.

Please see attached fiscal note.

### 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	86,000	0	86,000	0	0
<b>Total \$</b>			86,000	0	86,000	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

### 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	86,000		86,000		
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>	86,000	0	86,000	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

**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: HB 1688

Bill Title: Concerning payments to tow truck operators for the release of vehicles to indigent citizens

**Part 1: Estimates**

**No Fiscal Impact**

**Estimated Cash Receipts:**

INDETERMINATE; PLEASE SEE NARRATIVE

**Estimated Expenditures:**

PARTIALLY INDETERMINATE; PLEASE SEE NARRATIVE

	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
FTE Staff Years	-	-	-	-	-

Operating Expenditures	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Motor Vehicle	108	86,000	-	86,000	-	-
<b>Account Totals</b>		<b>86,000</b>	-	<b>86,000</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: Michael Hirsch	Phone: (360) 786-7195	Date: 2/6/2023
Agency Preparation: Gina Rogers	Phone: (360) 634-5036	Date: 2/15/2023
Agency Approval: Gerrit Eades	Phone: (360) 902-3931	Date:

Request #	5
Bill #	1688 HB



## Part 2 – Explanation

This bill requires the Department of Licensing (DOL) to create a program to compensate registered tow truck operators (RTTO)s for impounds required by law enforcement for vehicle owners who are indigent. It also sets new requirements for RTTOs, and establishes a new annual report requirement for DOL.

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

Sec. 1 – Adds a new section to chapter 46.55 RCW

- (1) requires DOL to create a program to compensate RTTOs for impounds required by law enforcement, for vehicle owners who are indigent.
  - Except when a vehicle is impounded after the owner has been arrested by a law enforcement officer
- (2) individuals seeking vehicle release under the program must:
  - (a) be the legal or registered owner
  - (b) be indigent
  - (c) not have the ability to pay for a towing service, or payment would be a severe hardship
  - (d) not have applied for vehicle release under the program more than once in the prior year
  - (e) certify the first part of the form described in subsection (4)(a) and submit it to the RTTO
- (3) allows RTTOs to seek payment for impounds under subsection (1) for individuals meeting requirements under subsection (2)
  - RTTOs must fill out the second part of the form described in subsection (4)(b) and submit to DOL
- (4) requires DOL to provide a form to RTTOs that consists of:
  - (a) a portion to be completed by individuals seeking vehicle release and must include a requirement that they self-certify under penalty of perjury that they meet the program requirements, and acknowledge they understand DOL may verify or audit the information
  - (b)(i) a portion to be completed by RTTOs and must include a requirement for them to self-certify under penalty of perjury that they verified the impound ordered by an LEA, but not after an arrest, and the individual seeking vehicle release is the registered owner or titled with DOL
    - (ii) RTTOs must acknowledge they understand that DOL may verify or audit the information
- (5) subject to fund availability, requires DOL to disburse surplus funds under RCW 46.55.130(2)(h) that are no longer subject to payment for a valid claim
  - This must be equal to the cost of towing, storage, or other services incurred by the RTTO following form submission
  - Payment eligibility doesn't mean payment entitlement
  - If eligible payment applications exceed available funds, requires DOL to create and maintain a waitlist in the order forms are received
  - Provides that DOL is not civilly or criminally liable regarding the provision or lack of available funds
- (6) requires DOL to provide an annual report to the legislature by October 1<sup>st</sup> which must include:

- Total number of law enforcement directed tows not following an arrest
- Number of vehicles released under the program
- Number of applicants who received payment under the program
- Total funds provided to applicants
- Number of applicants on the waitlist who didn't receive grants
- Total number of grants unpaid due to lack of funds
- Number of ineligible applicants and reasoning
- (7) provides that RTTOs who release vehicles under this section don't have a lien or deficiency claim on the vehicle.
- (8) requires RTTOs who send a notification to the registered vehicle owner regarding impoundment required under RCW 46.55.110 to include information about the program if they are eligible.
- (9) requires RTTOs to provide written notice (specified by DOL) to individuals seeking vehicle release that includes the form described in subsection (4).

Sec. 2 – Amends RCW 46.55.115

- Specifies that owners are not required to pay the cost of vehicle removal and storage if the RTTO release the vehicle under this program.

Sec. 3 – Amends RCW 46.55.120

- (1)(f) specifies that vehicles must be released when the RTTO completes the form described in Section 1 (4)(a) if the first portion is completed by an individual seeking vehicle release
- (4)(b) specifies that vehicles or items of personal property that are registered or titled with DOL may be redeemed at any time before the start of the auction upon completion of the form described in Section 1.

**2.B - Cash receipts Impact**

Revenue Impact: Indeterminate Decrease

This bill would allow for tow truck operators to be reimbursed for towing and impound fees for qualified vehicle owners. Section 1 of this bill requires that the registered owner of the vehicle be indigent and unable to otherwise pay the towing and impound fee to qualify for the proposed program. When fees are reimbursed the registered owner may retrieve their vehicle.

Under current law vehicles which are not recovered from towing and impound businesses may be sold at auction, and the businesses are able to recover incurred fees from the vehicle auction sale. Any excess proceeds from this sale are then deposited into the Motor Vehicle Fund.

As this bill provides additional pathways for owners to recover their vehicles, we expect it to decrease the total number of vehicles sold at auction. This would also result in a decrease of funds deposited into the motor vehicle account.

**2.C – Expenditures**

Program and Services Division (PSD) has an indeterminate impact for Customer Service Specialist 2 (CSS2), Customer Service Specialist 3 (CSS3), and Management Analyst 3 (MA3) FTEs

- FTE tasks:
  - CSS2 for processing applications (quantity of licenses processed, indeterminate)
  - CSS3 for approving applications and disbursements (quantity of license application and disbursement, indeterminate)
  - 1 MA3 FTE for conducting research and analysis required for the annual reporting of the bill.

**Information Services:**

What DOL will implement:

1. New eService to allow for registered tow truck operators to apply online for reimbursements of impound fees for indigent individuals.
  - a. Must be licensed in Washington and have an account in DRIVES,
  - b. Will create work item for processing the request.
  - c. Will use SecureAccess Washington (SAW) and require online account.
  - d. Allows for upload of paper forms or electronic entry of application by both the RTTO and the indigent individual.
  - e. Allows for the upload of supporting documentation.
2. New case to process the application for reimbursement.
  - a. Case will be approved or denied.
  - b. Forms will be able to be uploaded and entered by back office for mail-in applications.
3. Create new logic for abandoned vehicle refund credit activity.
  - a. Add refund requestor field for RTTO or previous vehicle owner that uses logic to determine if the vehicle surplus funds are greater than or less than a year from the posting date.
4. 3 new letters will be created for response to application process.
  - a. Request for More Information
  - b. Denial
  - c. Approval-Pending Funds
5. 3 new reports
  - a. Revenue tracking cube for abandoned vehicle surplus funds
  - b. ADHOC cube for program
  - c. Annual Legislative Report

**Project Duration:** 3 months

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	20,400	-	-	-	-	-	20,400
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	5,000	-	-	-	-	-	5,000
PROJECT MANAGER	Manage schedule and contracts	\$ 28,710	5,700	-	-	-	-	-	5,700
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	3,300	-	-	-	-	-	3,300
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	37,200	-	-	-	-	-	37,200
Trainer	Trains business partners and employees in new system processes and capabilities.	\$ 22,620	6,800	-	-	-	-	-	6,800
Project Contingency	Office of the Chief Information Officer designated rate of 10%	\$ 25,474	7,800	-	-	-	-	-	7,800
<b>Totals</b>			<b>86,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86,200</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.

This will apply after indeterminate expenditures are identified.

## 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	86,000	-	86,000	-	-
<b>Account Totals</b>		<b>86,000</b>	<b>-</b>	<b>86,000</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	86,000	-	86,000	-	-
<b>Total By Object Type</b>	<b>86,000</b>	<b>-</b>	<b>86,000</b>	<b>-</b>	<b>-</b>

## Part 4 – Capital Budget Impact

None.

## Part 5 – New Rule Making Required

None.