

Individual State Agency Fiscal Note

Bill Number: 5735 SB	Title: Impounded vehicles/military	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	6.7	5.0	5.9	5.0	5.0
Account					
Motor Vehicle Account-State 108 -1	3,917,000	1,656,000	5,573,000	3,312,000	3,312,000
Total \$	3,917,000	1,656,000	5,573,000	3,312,000	3,312,000

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: Brandon Popovac	Phone: 360-786-7465	Date: 02/14/2023
Agency Preparation: Deb Williams	Phone: 360-902-0015	Date: 02/17/2023
Agency Approval: Gerrit Eades	Phone: (360)902-3863	Date: 02/17/2023
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 02/18/2023

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.

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.

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	3,917,000	1,656,000	5,573,000	3,312,000	3,312,000
Total \$			3,917,000	1,656,000	5,573,000	3,312,000	3,312,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	6.7	5.0	5.9	5.0	5.0
A-Salaries and Wages	322,000	242,000	564,000	484,000	484,000
B-Employee Benefits	151,000	113,000	264,000	226,000	226,000
C-Professional Service Contracts					
E-Goods and Other Services	3,396,000	1,301,000	4,697,000	2,602,000	2,602,000
G-Travel					
J-Capital Outlays	48,000		48,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	3,917,000	1,656,000	5,573,000	3,312,000	3,312,000

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	5.7	4.0	4.9	4.0	4.0
Customer Service Specialist 4	54,492	1.0	1.0	1.0	1.0	1.0
Total FTEs		6.7	5.0	5.9	5.0	5.0

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.

Individual State Agency Fiscal Note

Agency 240 – Department of Licensing

Bill Number: SB 5735

Bill Title: Impounded vehicles active military

Part 1: Estimates

No Fiscal Impact

Estimated Cash Receipts:

This bill does not add or modify fees administered by DOL and will not impact collected revenue.

Estimated Expenditures:

		FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
FTE Staff Years		6.7	5.0	5.9	5.0	5.0
Operating Expenditures	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Motor Vehicle	108	3,917,000	1,656,000	5,573,000	3,312,000	3,312,000
Account Totals		3,917,000	1,656,000	5,573,000	3,312,000	3,312,000

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: Brandon Popovac	Phone: (360) 786-7465	Date: 2/14/23
Agency Preparation: Deb Williams	Phone: (360) 634-5083	Date: 2/16/23
Agency Approval: Gerrit Eades	Phone: (360) 902-3931	Date: 2/17/23

Request #	1
Bill #	SB 5735

Part 2 – Explanation

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

This bill requires Department of Licensing (DOL) to include an active duty military status check on our abandoned vehicle report, and sets new requirements for Registered Tow Truck Operators (RTTOs) when holding or selling vehicles with a registered owner that shows an active military status.

2.B - Cash receipts Impact

No Revenue Impact. The proposed legislation deals with information provided to RTTOs related to impound vehicles where the registered owner is a military service member on active duty status.

2.C – Expenditures

Assumptions:

- 1) DOL will hire 5.7 FTEs in the first year transition period, and 4.0 FTEs ongoing Customer Service Specialist 2s to process the additional requirements for Abandoned Vehicle Reports (AVRs). In addition, one Customer Service Specialist 4 is required to support the unit and staff, track requirements, and workflows both during the transition period and ongoing.
- 2) DOL receives approximately 4,200 Abandoned Vehicle Report (AVR) requests each month (50,400 per year) from online and paper submissions from RTTOs. Of the 4,200 AVRs submitted monthly. Approximately 2,600 vehicles are registered in Washington State, with the remaining 1,600 registered in other states.
- 3) DOL assumes during the one year transition period the new requirement would add an additional 10 minutes of staff time to process each AVR request, for the active duty status check would be done through an information broker. After the transition period, active duty status checks for owners of Washington-registered vehicles will take an additional 5 minutes because the use of an information broker will no longer be required.
- 4) DOL assumes vehicles registered out-of-state would also require DOL to go through an information broker to meet the legislative requirement. Therefore, staff time would remain at 10 minutes more than current AVR processing time, even after the transition period.
- 5) DOL does not currently collect date of birth or driver's license information for vehicle registration. The proposed legislation would include updating processes, current forms, and technology systems to insure required information is captured. These agency changes would enable DOL to run the status check on owners of vehicles registered in Washington State.
 - a. DOL assumes we will start capturing date of birth or drivers license numbers tied to vehicle registrations to allow for active duty status checks in the future. This would allow DOL to run the active duty status check on owners with Washington-registered vehicles without going through an information broker.

- b. DOL assumes a minimum of a one year transition period is assumed to collect the required information and update data files for existing Washington owners.
- c. DOL assumes the process for checking owner information for out-of-state vehicles does not include required data and would still require DOL to run the military status checks through an information broker.

The average number of AVR request currently processed by DOL (4,200 total per month, 2,600 in-state and 1,600 out of state per month) and current staff metrics were used to determine the FTEs needed. See table 1 below.

Transition period (12 months)	Transactions per month	Additional minutes per transaction	Total minutes per year	FTE	Position
In-State plates	2,600	10	312,000	3.5	Customer Service Specialist 2 (CSS2)
Out-of-State plates	1,600	10	192,000	2.2	Customer Service Specialist 2 (CSS2)
Totals	4,200		504,000	5.7	Customer Service Specialist 2 (CSS2)
After transition period and ongoing	Transactions per month	Additional minutes per transaction	Total minutes per year	FTE	Position
In-State plates	2,600	5	156,000	1.8	Customer Service Specialist 2 (CSS2)
Out-of-State plates	1,600	10	192,000	2.2	Customer Service Specialist 2 (CSS2)
Totals	4,200		348,000	4.0	Customer Service Specialist 2 (CSS2)

CSS2 are calculated at 88,320 workload minutes available per year

TABLE 1

The information broker charges a per name fee to obtain the required information. For this analysis \$36.40 was used to represent the fee. The bill requires an active-duty status check for all legal and registered owners of vehicles. 1.31 is the average number of owners per vehicle registered in Washington State. As a vehicle may have multiple owners, 1.31 was used to represent the number of owners checked for active-duty status per transaction. See table 2, below.

Transition period (12 months)	Transactions	Average owners per registered vehicle	Military status check transactions	Per name fee	Cost
Monthly cost	4,200	1.31	5,502	\$ 36.40	\$ 200,270
Annual cost	50,400	1.31	66,024	\$ 36.40	\$ 2,403,270
After transition period and ongoing	Transactions per month	Average owners per registered vehicle	Military status check transactions	Per name fee	Cost
Monthly cost	1,600	1.31	2,096	\$ 36.40	\$ 76,290
Annual cost	19,200	1.31	25,152	\$ 36.40	\$ 915,530

Table 2

Information Services:

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 influence other

systems or DOL processes, developers who create the change, and testers and quality assurance teams that ensure the update is working correctly.

Information Services will implement the following changes.

Licensing - Compliance - Accounts - Cases

- Implement a onetime database update to records, adding the date of birth (DOB) information from the driver license information, if the record is linked with the driver license number.
- Add new logic to require date of birth when processing a title, title purpose only, title with registration, change registration, renewal, or add registration for vehicles to be used to verify if the owner is active duty. This includes screen changes.
- Create a standalone option to collect DOBs

Letters - Renewal Notices - Receipts - Cashiering Receipts

- Modify the title application letter template in DRIVES to include date of birth.
- Modify forms to include military status and Servicemembers Civil Relief act verbiage
- Modify the renewal notice template with a special message that date of birth is required (including Perm tabs).
- Modify fleet renewal notice template with a special message that date of birth is required.
- Modify electronic renewals to add language that the per mile charge must be paid before tabs can be renewed.

Reporting

- Create a new report for vehicles identified with registered or legal owners that are active duty.

e-Services

- Modify the online abandoned vehicle system to create a new work item for active-duty verification, update the inquiry to determine if any owners are active duty. This item includes screen changes to add a new screen.
- Modify eservices with an option for online renewals to collect DOBs
- Modify online tab renewal to add a new error message because the date of birth is not included on the record
- Modify online the electronic permitting system to require date of birth used by Washington dealers.

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	47,500	-	-	-	-	-	47,500
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	9,900	-	-	-	-	-	9,900
PROJECT MANAGER	Manage schedule and contracts	\$ 28,710	14,400	-	-	-	-	-	14,400
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	81,900	-	-	-	-	-	81,900
Trainer	Trains business partners and employees in new system processes and capabilities.	\$ 22,620	13,600	-	-	-	-	-	13,600
Project Contingency	Office of the Chief Information Officer designated rate of 10%	\$ 25,474	17,200	-	-	-	-	-	17,200
Totals			189,500	-	-	-	-	-	189,500

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	3,917,000	1,656,000	5,573,000	3,312,000	3,312,000
Account Totals		3,917,000	1,656,000	5,573,000	3,312,000	3,312,000

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	6.7	5.0	5.9	5.0	5.0
Salaries and Wages	322,000	242,000	564,000	484,000	484,000
Employee Benefits	151,000	113,000	264,000	226,000	226,000
Goods and Services	3,396,000	1,301,000	4,697,000	2,602,000	2,602,000
Equipment	48,000	-	48,000	-	-
Total By Object Type	3,917,000	1,656,000	5,573,000	3,312,000	3,312,000

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	5.7	4.0	4.9	4.0	4.0
Customer Service Specialist 4	54,492	1.0	1.0	1.0	1.0	1.0
Total FTE		6.7	5.0	5.9	5.0	5.0

Part 4 – Capital Budget Impact

None.

Part 5 – New Rule Making Required

None.