

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1832 HB	<b>Title:</b> Vehicle per mile charge
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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 Licensing	Non-zero but indeterminate cost and/or savings. Please see discussion.								
County Road Administration Board	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Transportation Improvement Board	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
Office of State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Licensing	5.8	0	0	2,451,000	10.5	0	0	2,660,000	13.5	0	0	3,313,000
Department of Licensing	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Department of Transportation	.0	0	0	0	.0	0	0	0	.0	0	0	0
County Road Administration Board	.0	0	0	0	.0	0	0	0	.0	0	0	0
Transportation Improvement Board	.0	0	0	0	.0	0	0	0	.0	0	0	0
Transportation Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	5.8	0	0	2,451,000	10.5	0	0	2,660,000	13.5	0	0	3,313,000

## 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 Licensing	.0	0	0	.0	0	0	.0	0	0
Department of Transportation	.0	0	0	.0	0	0	.0	0	0
County Road Administration Board	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Transportation Improvement Board	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Transportation Commission	.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

County Road Administration Board	Non-zero but indeterminate cost and/or savings. Please see discussion.
Transportation Improvement Board	Non-zero but indeterminate cost and/or savings. Please see discussion.

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<b>Prepared by:</b> Kyle Siefering, OFM	<b>Phone:</b> (360) 995-3825	<b>Date Published:</b> Final 3/ 1/2023
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1832 HB	<b>Title:</b> Vehicle per mile charge	<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: Michael Hirsch	Phone: 360-786-7195	Date: 02/15/2023
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 02/18/2023
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 02/18/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	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.*

HB 1832 creates the road usage charge account, coupled with the general fund as the recipient of the earnings from investments under RCW 43.84.092(4).

### 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.*

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable.

There may be an impact on the debt service limitation calculation. Changes to the earnings 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.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1832 HB	<b>Title:</b> Vehicle per mile charge	<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
FTE Staff Years	2.0	9.5	5.8	10.5	13.5
<b>Account</b>					
Motor Vehicle Account-State 108 -1	1,243,000	1,208,000	2,451,000	2,660,000	3,313,000
<b>Total \$</b>	1,243,000	1,208,000	2,451,000	2,660,000	3,313,000

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.*

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: 02/15/2023
Agency Preparation: Aaron Harris	Phone: (360) 902-3795	Date: 02/28/2023
Agency Approval: Gerrit Eades	Phone: (360)902-3863	Date: 02/28/2023
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 03/01/2023

## 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.

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.

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	1,243,000	1,208,000	2,451,000	2,660,000	3,313,000
<b>Total \$</b>			1,243,000	1,208,000	2,451,000	2,660,000	3,313,000

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	2.0	9.5	5.8	10.5	13.5
A-Salaries and Wages	200,000	631,000	831,000	1,380,000	1,686,000
B-Employee Benefits	64,000	246,000	310,000	542,000	680,000
C-Professional Service Contracts					
E-Goods and Other Services	972,000	331,000	1,303,000	738,000	947,000
G-Travel					
J-Capital Outlays	7,000		7,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	1,243,000	1,208,000	2,451,000	2,660,000	3,313,000

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

**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		3.3	1.7	3.3	5.3
Fiscal Analyst 2	55,872		1.0	0.5	1.0	1.0
Fiscal Technician 2	43,800		1.0	0.5	1.0	1.0
Licensing Services Representative 4	75,120		1.0	0.5	1.0	1.0
Management Analyst 4	82,896		1.0	0.5	1.0	1.0
Management Analyst 5	91,524	1.0	1.0	1.0	1.0	1.0
Tax Policy Specialist 3	96,156		0.2	0.1	0.2	0.2
Vehicle Services Liaison Officer 2	58,704				1.0	2.0
WMS Band 2 (Agency Coordinator and PM of RUC)	108,000	1.0	1.0	1.0	1.0	1.0
<b>Total FTEs</b>		2.0	9.5	5.8	10.5	13.5

**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.*

See attached fiscal note

# Individual State Agency Fiscal Note

Agency 240 – Department of Licensing

Bill Number: 1832 HB

Bill Title: Vehicle Per Mile Charge

*Indeterminate for Cash Receipts and Expenditure, see narrative.*

**Part 1: Estimates**

No Fiscal Impact

**Estimated Cash Receipts:**

Indeterminate, see narrative.

**Estimated Expenditures:**

	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
FTE Staff Years	2.0	9.5	5.8	10.5	13.5

Operating Expenditures	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Motor Vehicle	108	1,243,000	1,208,000	2,451,000	2,660,000	3,313,000
<b>Account Totals</b>		<b>1,243,000</b>	<b>1,208,000</b>	<b>2,451,000</b>	<b>2,660,000</b>	<b>3,313,000</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: 02/21/23
Agency Approval: Gerrit Eades	Phone: (360) 902-3931	Date: 02/21/23

Request #	1
Bill #	HB 1832

## Part 2 – Explanation

This bill creates a per mile charge on vehicle usage of public roadways.

**Note:** This fiscal note includes expected costs to implement and manage a road usage charge program. Several components of the program are currently unknown, such as participation rates and vendor requirements. Therefore, while some costs have been identified, other costs are indeterminate. The department will address additional needs as necessary for consideration in a future budget period.

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

**Sec 1:** Creates a new section; stating the intent to establish a voluntary road usage charge (RUC) program as a first step in establishing a more comprehensive, mandatory road usage charge.

**Sec. 2:** Creates a new section in Chapter 46.17 RCW to do the following:

#### Subsection 1:

- Establish a voluntary per-mile fee program beginning July 1, 2025, for motor vehicles registering for on-road use to be administered by DOL and sets a target date for implementation of a mandatory program of January 1, 2030.
- Set the rate in statute, at 2.5 cents per mile.
- Waives the electric vehicle registration fee (\$150) and transportation system electrification fees (\$75) for program participants.
- Requires participants in the voluntary program to pay the new fees at the end of the 12-month period after enrollment.
- Caps the amount of the fee due for vehicles otherwise subject to electric vehicle registration fees and transportation electrification fees as the amount that would otherwise be owed for these fees.
- Provides a fee credit in the amount of motor vehicle fuel tax that is non-refundable and non-transferable to future years of program participation; and
- Requires DOL to adopt rules to implement the voluntary program.

#### Subsection 2:

- Requires DOL to offer vehicle owners the option to report vehicles miles driven through submission of periodic odometer mileage.
- Allows DOL to offer vehicle owners the option of one or more automated methods of reporting miles driven and certifying one or more private sector service providers to provide this service.
- Requires the Transportation Commission, with participation from DOL, to engage vehicle manufacturers to explore a partnership with them to obtain manufacturer data on vehicle miles driven and report back to the Transportation Committees by December 1, 2024;

#### Subsection 3:

- Requires DOL to establish a process for submission of documentation by voluntary participants claiming an exemption for vehicle miles driven on roadways that aren't public roadways in the state;

#### Subsection 4:

- Authorizes DOL to temporarily pause enrollment in the voluntary program should DOL's capacity to effectively administer the program be reached.

#### Subsection 5:

- Limits participation in the voluntary program to vehicles that travel at a speed of more than 35 mph and that have a gross vehicle weight rating of 10,000 pounds or less; and

Subsection 6:

- Requires DOL, in consultation with the Commission, to design and execute a public outreach and education program to be carried out prior to implementation of the voluntary program.

Subsection 7:

- Mandates DOL provide a report to the Transportation Committees of the Legislature on the status of preparations for the program with recommendations for program enhancements by January 1, 2025, and to continue to report to the Transportation Committees on the program's status and recommendations no less frequently than annually.

Subsection 8:

- Requires the Transportation Commission to pursue federal grant funding opportunities for which the voluntary program is eligible.

Subsection 9:

- Mandates that proceeds from the per-mile fee be used for transportation system preservation and maintenance purposes.

**Sec. 3:** Amends RCW 46.17.323 to exempt voluntary program participants from electric vehicle registration fees and modifies the provision in current law that would eliminate these fees when a mandatory program takes effect.

**Sec. 4:** Amends RCW 46.17.324 to exempt voluntary program participants from transportation electrification fees.

**Sec. 5:** Creates a new section in Chapter 46.08 RCW to provide certain privacy protections for voluntary program participants, including by:

- Limiting the personally identifying information that can be collected and what location data can be recorded; and
- Establishing an affirmative duty for DOL and any designated account manager to ensure information is protected through reasonable means, to implement and maintain security procedures and practices to protect information; and to implement and maintain a usage and privacy policy.

**Sec. 6:** Amends RCW 46.01.030 to add the authority for DOL to administer per-mile fee collections the responsibilities the agency is tasked with.

**Sec. 7:** Amends RCW 46.01.040 to add the authority for DOL to administer per-mile fee collections the responsibilities the agency is tasked with.

**Sec. 8:** Amends RCW 46.56.330 to exempt personally identifying information of participants in the voluntary program that is associated with per-mile fee collection from public disclosure and allows for its release in aggregate form; only permits personally identifying information to be released to law enforcement agencies if court ordered.

**Sec. 9:** Creates a new section in Chapter 46.68 RCW to establish a Road Usage Charge Account and limits expenditures from it to transportation system preservation and maintenance purposes.

**2.B - Cash receipts Impact**

Estimated Revenue Impact Based on Assumptions:							
Acct #	Account	FY24	FY25	FY26	FY27	FY28	FY29
new	RUC Account	\$0	\$0	\$0	\$3,176,900	\$3,734,000	\$4,547,900
108	Motor Vehicle Fund	\$0	\$0	(\$1,818,300)	(\$2,182,900)	(\$2,718,500)	(\$3,186,600)
144	Transportation Improvement Account	\$0	\$0	(\$218,200)	(\$261,900)	(\$326,200)	(\$382,400)
102	Rural Arterial Trust Account	\$0	\$0	(\$218,200)	(\$261,900)	(\$326,200)	(\$382,400)
20J	Transportation Electrification Account	\$0	\$0	(\$1,273,300)	(\$1,501,200)	(\$1,832,100)	(\$2,123,000)
	<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$3,528,000)</b>	<b>(\$1,031,000)</b>	<b>(\$1,469,000)</b>	<b>(\$1,526,500)</b>

This bill establishes a per mile charge program on vehicles. Effective July 1, 2025, program enrollment is on volunteer basis, targeted mandatory implementation date is January 1, 2030. The impact to cash receipts is indeterminate due to the uncertainty of components such as the volume of a voluntary population, an indefinite fuel tax credit, and deferred implementation dates. For demonstration purposes, the voluntary road usage program impact scenario is based on information provided by the Transportation Commission assumptions included below.

**Revenue Assumptions:**

- Vehicles enrolled and the gross revenue for RUC collections are based on the Middle Scenario of the Transportation Commission assumptions (see details above).
- Revenue collections are shown to a new Road Usage Charge Account created in Sec.9 (ICE vehicles collections reduced by \$0.494 fuel fee).
- Revenue reductions of waived electric vehicle fees in Sec 3(8) shown in Motor Vehicle Fund, Transportation Improvement, Rural Arterial, Transportation Electrification Accounts.
- The revenue collections start in fiscal year 2027 due to RUC fee is paid for the previous 12 months.
- This scenario is not including claims for not public roadways mile driven RUC exemption described in Sec 2(3).
- Scenario is illustrating a voluntary participation program effective July 1, 2025, mandatory implementation targeted January 1, 2030, is not a subject to this scenario.

**2.C – Expenditures**

**Overall Assumptions:**

**Participation Assumptions:**

Vehicle Type	Assumption	Selected Scenario
EVs	% enrolled	10.0%
	% that reach cap	50.0%
	Avg miles driven under cap	6,000
Hybrids	% enrolled	1.0%
	% that reach cap	60.0%
	Avg miles driven under cap	2,000
	Avg hybrid MPG	50
Internal combustion engine	% enrolled	0.05%
	Avg miles driven	10,000
	Avg MPG	30

**Assumptions of Vehicles enrolled:**

FY	EVs	Hybrids	ICEVs	Total
2025	-	-	-	-
2026	14,546	2,431	3,642	20,619
2027	17,463	2,553	3,679	23,694
2028	21,748	2,680	3,715	28,144
2029	25,493	2,814	3,752	32,059

**Gross revenue:**

FY	EVs	Hybrids	ICEVs	Total
2025	\$ -	\$ -	\$ -	\$ -
2026	\$ 2,727,327	\$ 138,801	\$ 310,794	\$ 3,176,921
2027	\$ 3,274,319	\$ 145,741	\$ 313,902	\$ 3,733,962
2028	\$ 4,077,791	\$ 153,028	\$ 317,041	\$ 4,547,860
2029	\$ 4,779,902	\$ 160,680	\$ 320,211	\$ 5,260,793

**Customer Relations Division (CRD):**

**Vehicle and Vessel Operations unit:**

**1.0 FTE Licensing Service Representative 4** in fiscal year 2025 ongoing. This position will assist with communications, training, updates, and escalation.

**1.0 FTE Vehicle Services Liaison Officer 2** in fiscal year 2026 ongoing. This position will assist with customer inquiries and provide technical assistance to county auditors, vehicle dealers, and out of state jurisdictions.

**1.0 FTE Vehicle Services Liaison Officer 2** in fiscal year 2028 ongoing. This position will assist with customer inquiries and provide technical assistance to county auditors, vehicle dealers, and out of state jurisdictions.

**Customer Service Call Center:**

**2.0 FTEs Customer Service Specialist 2** beginning in fiscal year 2025 ongoing. These positions will assist with customer inquiries.

**4.0 FTEs Customer Service Specialist 2** beginning in fiscal year 2029 ongoing. These positions will assist with customer inquiries.

**Program Services Division (PSD):**

**1.0 FTE WMS Band 2:** DOL includes a WMS position to serve as the overall coordinator and manager of the department's RUC program. This position is critical to oversee development, implementation, and ongoing operational management of the program. RUC functions will occur under the direction of this position, which will also serve as the primary point of contact regarding program concerns. Starting July 1, 2023, ongoing.

**1.3 FTE Customer Service Specialist 2** is needed for the extra renewal processing needed for the added per mile charge work as well as escalated calls from the customer service call center and other areas of the agency for vehicle per mile charge questions. Starting July 1, 2025, ongoing.

**1.0 FTE Management Analyst 4** is needed to manage the RUC program and assist with rule making, policy needs and data collection. The MA4 would serve as a point of contact regarding questions and concerns around the RUC program. Starting July 1, 2025, ongoing.

**Accounting:**

**1.0 FTE Fiscal Technician 2 (FT2):** This position will manage intake validation workflows. Starting July 1, 2025, and ongoing.

**1.0 FTE Fiscal Analyst 2 (FA2):** This position will process and reconcile credit card and ACH payments, to keep our accounts receivable records reconciled, and to handle additional deposit responsibilities. Starting July 1, 2025, and ongoing.

**Forecasting Office:**

**0.2 FTE Tax Policy Specialist 3 (TPS3):** The resource is needed to develop a new forecast model for the per-mile fee forecast, which will involve monthly tracking of related data and quarterly delivery of the forecast as well as responding to requests around this forecast and data behind it. Starting July 1, 2024, ongoing.

**Research and Analysis Office:**

**1.0 FTE Management Analyst 5 (MA5):** This position will assist with rulemaking, fee calculations, and research of qualified vehicles. This position will be needed starting July 1, 2023, and ongoing.

**Media Campaign:**

Section 2 subsection 6 requires DOL, in consultation with the transportation commission, to design and execute a public outreach and education program to be carried out prior to implementation of the program. The department has engaged in similar outreach and education work related to REAL ID implementation. Based on that work, \$800,000 is included in FY 2025 for campaign development, ads, and social media assets. Due to the incremental implementation model of the bill, \$500,000 per year is included for FY 2026 and FY 2027 to maintain the program messaging.

**Information Services:**

***What IS Will Implement:***

**Cyber & Data Security:**

1. CONSULT WITH DATA SECURITY TEAM FOR HOURS -

Protecting third party data sharing. We need to add an item in the individual LEG checklists to review if data sharing is part of the requirements and if so, we need to include someone from the data management team to review for a data sharing agreement between other agencies or entities.

**Licensing - Compliance - Accounts – Cases for RUC customers:**

2. Modify logic for what vehicles are subject to the new per mile charge (identify RUC program vehicles which travel at a speed of more than 35 mph and that have a gross vehicle weight rating of 10,000 pounds).
3. New logic and screen changes to collect odometer reading on voluntary RUC participants during registration renewal for qualifying vehicles. Includes updates to screens for new data element "odometer reading" and messages. (Dept Temp; Original; Renewal; Transfer)
4. New logic and screen changes to calculate and or stop tab renewal if payment of the per mile charge has not been made when payment indicator not set, includes online renewals.
5. New logic and screen changes to collect odometer readings\mile amounts for vehicles that traveled out of state or not on public highways.
6. New logic that Waives EV and hybrid vehicle registration and transportation system electrification fees if participating in the RUC program participants
7. Logic capping the amount of RUC due for vehicles who are also subject vehicles subject to EV and hybrid vehicle registration fees for RUC program participants.
8. New logic to calculate fee credit in the amount of motor vehicle fuel tax that is non-refundable and non-transferable to future years of program participation) *Intent still unclear.*
9. New indicator, banner and logic for vehicles subject to per mile charge, includes ability to manually add/remove indicator.
10. New indicator for vehicles that paid the charge to the vendor for each renewal cycle.
11. New case to audit customer records for new road usage charge.
12. New audit case for commercial service provider oversight for the collection and management of payment of the new road usage charge.
13. New work item for vehicles sold and transferred out of state if no road usage charge paid or no report of sale filed. 20 hrs. (10 item – 10 logic)
14. New work item and logic for billing notices produced to allow review before production.
15. New activity to allow authorized user to modify record to allow renewal if data not received from commercial service provider and customer trying to renew tabs.
16. New activity to allow record correction transactions for odometer reading, out-of-state miles travelled and fuel tax offset. 10 hrs. (didn't include offset)
17. New fleet road usage charge activity to accept payment for fleet in an office, includes entering mileage and out of state miles travelled.

**Letters - Renewal Notices - Receipts - Cashiering Receipts:**

18. New letter(s) as part of the audit case.
19. New shortage billing notice for odometer variances.
20. Modify electronic renewals to add language that the road usage charge must be paid before tabs can be renewed.
21. Modify paper renewal notice to add language road usage charge must be paid before tabs can be renewed.
22. New electronic billing for customers signed up for electronic renewals. 50 (add assumption below)
23. Modify fleet insert to add language that road usage charge must be paid before the fleet can be renewed and add which vehicles on fleet billing notice require road usage charge. (Added insert)
24. New final billing notice for vehicles that are transferred or a report of sale if filed, includes logic to populate the notice and new batch job to create the notice.
25. Modify refund and shortage letter to include road usage charge.
26. One-time special mailing requiring the customer to declare odometer when renewing. Conditional insert and send with renewal notice.

**Financials:**

27. Modify what vehicles are subject to the road usage charge, including pricing logic, billings, template changes, online services, includes onetime update. 20 hrs. logic change - new one-time letter 10 hrs. - 10 hrs. bulk update of records.
28. New fee, account code and fund for the road usage charge.

**INTERFACE:**

29. New interface with commercial service provider to provide data on newly licensed vehicles that are subject to the per mile charge.
30. New interface with commercial service provider to receive data daily for all activities that include:
  - a. Odometer readings
  - b. Payment information
  - c. Vehicles part of program

**Reporting:**

31. New report for odometer variances based on odometer at transfer vs. what was on the report of sale.
32. New reports for the new road usage charge.
33. New report for billing notices produced. 10 hrs. (Does not include work item or logic for work item)
34. New reports for the audit case.

**e-Services:**

35. Modify online reporting system used by registered tow truck operators, wreckers, insurance destroyed and scrap processors to require odometer reading. 100 hrs. include HQ batch process.
36. New online road usage charge calculator to estimates road usage charge based on owners estimate miles travelled for the billing cycle, includes fuel tax offset.
37. Modify online report of sale system to require an odometer reading and miles travelled out-of-state, including new attestation language and notice final billing will be sent. 20 hrs. (billing after not at time of)
38. Modify online dealer electronic permitting system to collect odometer reading.

**Interfaces - Web Services:**

36. New interface with commercial service provider to provide data on what vehicles are subject to the road usage charge.
37. New interface with commercial service provider to receive data daily for all activities for vehicles with the OBII device installed, including what type of device installed and if device removed, includes logic to update record payment received allowing tab renewal.
38. Modify online renewals to require collection of odometer readings, including attestation.

**Assumptions:**

### **Fee\Payment Based Assumptions\for Voluntary RUC**

1. Road usage charge is a vehicle licensing fee.
2. Per mile charge is not in advance, not post registration period.
3. Per mile charge is due upon initial annual registration or registration renewal.
4. The per mile charge must be paid in full before the customer can renew their registration. This includes an online, mail or in person renewal activity. Similar process to vehicle violations.
5. Vehicles exempt from annual registration are not required to pay the per mile charge, including government vehicles.
6. The department will use data from Vintelligence to identify what vehicles are subject to the road usage charge. All vehicles subject to the EV fees are subject to the road usage charge fee.
7. Same cashiering receipt will be used when payment is made.
8. Payment of road usage charge will be part of a registration transaction.
9. Per mile charge will not be prorated.
10. No penalty fee if payment is not made or is paid late.
11. Any shortage will use the existing shortage process.
12. Road usage charge can be refunded, a shortage or a dishonored payment in certain circumstances. However, the road usage charge cannot be refunded if the owner chose to the mile permit option. The fee paid for unlimited miles does not transfer to the new owner if the vehicle was sold.

### **Vehicles exempt from annual registration are not required to pay the road usage charge, including government vehicles.**

13. Vehicles subject to liquid propane gas fee are also required to pay the road usage charge. The Charge is also due for any vehicle subject to the electric vehicle fee and transportation electrification fee.

### **Notices and Attestation Assumptions:**

14. Road usage charge will be included on renewal notices\e-notices and include a special message the fee must be made before the vehicle can be renewed.
15. Online renewals will require attestation and stop the customer from renewing if road usage charge is not paid.

### **Miscellaneous Collection Assumptions:**

16. If there is no odometer reading on record, the customer cannot renew.
17. We will collect the road usage charge from new or used dealers for vehicles for vehicles they have for sale.
18. The customer cannot buy miles. The charge is based on actual mileage travelled.
19. Odometer reading can be provided in an office, online during report of sale or renewal transactions, and at headquarters. Out of state miles travelled are allowed through GPS enabled devices.
20. The customer cannot change from an automated device to manual reporting in the middle of a payment cycle. They can only change at the beginning of the new payment cycle.
21. Road usage charge will be based on when the original or title transaction is processed or dealer date of sale to determine begin date of billing period, based on registration period.

### **Vendor and OBII Related Assumptions:**

22. This estimate includes an outsource option.
23. Any road usage charge implemented must include an automatic option to collect mileage, such as using OBII devices.

24. The department cannot estimate the cost to contract with a service provider and is not included in this estimate.
25. The department will not handle any technical, installation, or customer related inquiries regarding an OBII device or vendor services. Inquiries will be handled by the commercial service provider.
26. The commercial service provider will provide all data on a daily basis, or as required by the department for any vehicles they are managing payment of the road usage charge.

**Vendor:**

- a. Will provide all data on a daily basis, or as required by the department for any vehicles they are managing payment of the per mile charge.
  - b. Will, if required send a one-time letter notifying customers, they are required to provide odometer reading for per mile charge.
  - c. Accept all per mile charge payments.
  - d. Refund the customers.
  - e. Produce shortages to customers.
  - f. Collect all odometer readings required if the new per mile charge is due. DOL will not collect odometer readings on behalf of the vendor.
27. Need to perform a security assessment analysis because odometer information is considered sensitive data and we need to provide category 3 data to the vendor.

**Report of Sale Assumptions:**

28. If a report of sale or affidavit of sale is cancelled/deleted, the owner is responsible for any road usage charge fee owed during the time frame from the point the report or affidavit was filed and then cancelled/deleted.
29. Road usage charge is due if a report of sale, affidavit of sale or transfer is completed.

**Business Area Assumptions:**

30. Business will create a form to be used for attestation.
31. Business will determine who has access to case and add/removing indicators.
32. Business will determine the annual motor vehicle fuel usage by vehicles.
33. Business would define the rules if an insurance destroyed report is received to determine if the road usage charge is due or not due.
34. Business will establish a threshold that must be met before a final billing is created with the *annual motor vehicle fuel usage* by vehicles.
35. Research and Planning office and business area will define data elements for new report(s).
36. Title, report of sale and odometer disclosure and/or affidavits of sale will may be modified by the business area to include new language that the odometer requiring and out of state miles travelled is required.

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	223,900	-	-	-	-	-	223,900
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	43,000	-	-	-	-	-	43,000
PROJECT MANAGER	Manage schedule and contracts	\$ 28,710	57,400	-	-	-	-	-	57,400
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	21,500	-	-	-	-	-	21,500
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	379,800	-	-	-	-	-	379,800
Trainer	Trains business partners and employees in new system processes and capabilities.	\$ 22,620	58,800	-	-	-	-	-	58,800
Project Contingency	Office of the Chief Information Officer designated rate of 10%	\$ 25,474	78,400	-	-	-	-	-	78,400
<b>Totals</b>			<b>862,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>862,800</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
Motor Vehicle	108	1,243,000	1,208,000	2,451,000	2,660,000	3,313,000
<b>Account Totals</b>		<b>1,243,000</b>	<b>1,208,000</b>	<b>2,451,000</b>	<b>2,660,000</b>	<b>3,313,000</b>

**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	2.0	9.5	5.8	10.5	13.5
Salaries and Wages	200,000	631,000	831,000	1,380,000	1,686,000
Employee Benefits	64,000	246,000	310,000	542,000	680,000
Goods and Services	972,000	331,000	1,303,000	738,000	947,000
Equipment	7,000	-	7,000	-	-
<b>Total By Object Type</b>	<b>1,243,000</b>	<b>1,208,000</b>	<b>2,451,000</b>	<b>2,660,000</b>	<b>3,313,000</b>

### **3.C – FTE Detail**

<b>Staffing</b>	<b>Salary</b>	<b>FY 24</b>	<b>FY 25</b>	<b>23-25 Total</b>	<b>25-27 Total</b>	<b>27-29 Total</b>
Management Analyst 4	82,896	0.0	1.0	0.5	1.0	1.0
Management Analyst 5	91,524	1.0	1.0	1.0	1.0	1.0
Customer Service Specialist 2	46,980	0.0	3.3	1.7	3.3	5.3
Vehicle Services Liaison Officer 2	58,704	0.0	0.0	0.0	1.0	2.0
Tax Policy Specialist 3	96,156	0.0	0.2	0.1	0.2	0.2
Fiscal Analyst 2	55,872	0.0	1.0	0.5	1.0	1.0
Fiscal Technician 2	43,800	0.0	1.0	0.5	1.0	1.0
Licensing Services Representative 4	75,120	0.0	1.0	0.5	1.0	1.0
WMS Band 2 (Agency Coordinator and F	108,000	1.0	1.0	1.0	1.0	1.0
<b>Total FTE</b>		<b>2.0</b>	<b>9.5</b>	<b>5.8</b>	<b>10.5</b>	<b>13.5</b>

### **Part 4 – Capital Budget Impact**

None.

### **Part 5 – New Rule Making Required**

Yes. DOL must adopt rules to establish and implement the new per-mile fee program, including establishing methodologies for calculating the annual motor vehicle fuel usage for participating vehicles, as well as the submission of required documentation as directed in Section 2, subsection 3.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1832 HB	<b>Title:</b> Vehicle per mile charge	<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: Michael Hirsch	Phone: 360-786-7195	Date: 02/15/2023
Agency Preparation: Scott Smith	Phone: 360-705-7991	Date: 02/23/2023
Agency Approval: Hillary Badger	Phone: 360-705-7541	Date: 02/23/2023
OFM Review: Maria Thomas	Phone: (360) 229-4717	Date: 02/23/2023

## 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> HB 1832	<b>Title:</b> Vehicle Per Mile Charge	<b>Agency:</b> 405-Department of Transportation
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## Part I: Estimates

Check applicable boxes and follow corresponding instructions, use the fiscal template table provided to show fiscal impact by account, object, and program (if necessary), **add rows if needed**. If no fiscal impact, check the box below, skip fiscal template table, and go to Part II to explain briefly, why the program believes there will be no fiscal impact to the department.

No Fiscal Impact (Explain in section II. A)

*If a fiscal note is assigned to our agency, someone believes there might be, and we need to address that, showing why there is no impact to the department.*

Indeterminate Cash Receipts Impact (Explain in section II. B)

Indeterminate Expenditure Impact (Explain in section II. C)

If fiscal impact is less 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 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**

Revised

## Agency Assumptions

N/A

## Agency Contacts:

Preparer: Scott Smith	Phone: 360-705-7991	Date: 2/22/2023
Approval: Hillary Badger	Phone: 360-742-7541	Date: 2/23/2023
Budget Manager: Chad Johnson	Phone: 360-259-3886	Date: 2/22/2023
Economic Analysis: Scott Smith	Phone: 360-705-7991	Date: 2/22/2023

# Individual State Agency Fiscal Note

## Part II: Narrative Explanation

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

*Briefly describe by section number (sections that will change WSDOT costs or revenue), the significant provisions of the bill, and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency.*

House bill 1832 would establish a voluntary road user charge (RUC) program.

Section 1 states that legislative intent is to establish a voluntary road user charge (RUC) as a proof of concept for a comprehensive program.

Section 2 (1) establishes the voluntary RUC program with a rate of 2.5/mile effective July 1, 2025 and sets a target date for implementation of a mandatory RUC program of January 1, 2030. Electric vehicle and hybrid vehicle registration fees are waived for participants. Participants pay the RUC at the end of the annual cycle. The RUC cannot exceed the fees otherwise owed by registration and electrification fees. A credit for motor fuel taxes paid is created that is nonrefundable and nontransferable.

Section 2 (2) states that participants have the option of reporting by odometer mileage or other automated technological reportage method. The Washington State Transportation Commission and Department of Licensing are directed to explore the available other automated mileage reporting technologies with manufactures and report to the House and Senate Transportation Committees by December 2024.

Section 2 (3) directs DOL to establish a process for RUC participants to claim exemption for off-road use.

Section 2 (4) DOL has the authority to temporarily pause enrollment for administrative reasons.

Section 2 (5) Vehicles eligible for the RUC must be able to exceed 35 mph and have a gross vehicle weight of 10,000 pounds or less.

Section 2 (6) establishes a public outreach program.

Section 2 (7) states DOL must report to the legislative Transportation Committees on the status of preparations and recommendations for enhancements as of January 2025

Subsection 8 requires the Transportation Commission must pursue federal grants.

Subsection 9 RUC revenue must be used for system preservation and maintenance.

Section 3 through section 4 states RUC participants are exempted from EV and hybrid car fees.

Section 5 DOL is required to ensure the privacy of RUC participants.

Section 6 through section 7 DOL is authorized to administer the program.

Section 8 RUC personal data is protected from public disclosure.

Section 9 Creates a road user charge account.

# Individual State Agency Fiscal Note

## II. B – Cash Receipts Impact

*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.*

There is no cash receipts impact to the Washington State Department of Transportation because all the revenue would be collected by the Department of Licensing. Any cash receipts impact to DOL resulting from the proposed legislation would be reported in the fiscal note submitted by DOL.

## 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.*

N/A

## 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

# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 1832 HB	<b>Title:</b> Vehicle per mile charge	<b>Agency:</b> 406-County Road Administration Board
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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:

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

*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: 02/15/2023
Agency Preparation: Drew Woods	Phone: 360-753-5989	Date: 02/24/2023
Agency Approval: Drew Woods	Phone: 360-753-5989	Date: 02/24/2023
OFM Review: Maria Thomas	Phone: (360) 229-4717	Date: 02/24/2023

## 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.*

This bill will have an indeterminate fiscal impact to Fund 102 - Rural Arterial Trust Account. This is the fund used for CRAB's primary capital projects grant program, the Rural Arterial Program (RAP). CRAB feels that the fiscal impact is indeterminate because of the unknown participation rate of this voluntary program.

### 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.*

This bill will have an indeterminate fiscal impact to Fund 102 - Rural Arterial Trust Account. This is the fund used for CRAB's primary capital projects grant program, the Rural Arterial Program (RAP). CRAB feels that the fiscal impact is indeterminate because of the unknown participation rate of this voluntary program.

### 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

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

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

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

### IV. C - Capital Budget Breakout

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

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

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

NONE

This bill will have an indeterminate fiscal impact to Fund 102 - Rural Arterial Trust Account. This is the fund used for CRAB's primary capital projects grant program, the Rural Arterial Program (RAP). CRAB feels that the fiscal impact is indeterminate because of the unknown participation rate of this voluntary program.

## **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> 1832 HB	<b>Title:</b> Vehicle per mile charge	<b>Agency:</b> 407-Transportation Improvement Board
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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:**

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

*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: 02/15/2023
Agency Preparation: Paul Bitar	Phone: 360-407-8129	Date: 02/24/2023
Agency Approval: Paul Bitar	Phone: 360-407-8129	Date: 02/24/2023
OFM Review: Maria Thomas	Phone: (360) 229-4717	Date: 02/27/2023

## 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 2(1)(a)(i) of this bill would establish a voluntary road usage charge program.

Section 2(1)(a)(iii) would eliminate the electric/plug-in vehicle renewal fee (\$100), beginning in FY 2026, for vehicles participating in the voluntary road usage program. TIB receives 15% of collected fees in excess of the initial \$1,000,000 in collections. These funds are deposited in Fund #144 - Transportation Improvement Account and used to fund preservation and reconstruction projects.

Section 2(1)(b)(ii) states that the road usage charge due each year may not exceed the electric/plug-in vehicle renewal fee that would have been due had the electric/plug-in fee not been waived.

In developing the revenue loss estimate, TIB assumed that all eligible vehicles would participate in the road usage charge program. DOL also developed an estimate, which assumed that 10% of vehicles would participate in the program. Based on these two estimates, the expected revenue loss would be between \$480,131 and \$4,501,305 in the 2025-27 biennium, and \$708,615 and \$6,786,150 in the 2027-29 biennium. Revenue figures are based on estimates provided by the Transportation Commission.

If the revenue loss is closer to the high end of the range, then the loss will exceed the small city preservation and sidewalk program direct distribution.

### 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.*

The cash receipts impact is indeterminate, but TIB assumed that all eligible vehicles would participate in the road usage charge program. DOL also developed an estimate, which assumed that 10% of vehicles would participate in the program. Based on these two estimates, the expected revenue loss would be between \$480,131 and \$4,501,305 in the 2025-27 biennium, and \$708,615 and \$6,786,150 in the 2027-29 biennium. Revenue figures are based on estimates provided by the Transportation Commission.

### 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**

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

**IV. B - Expenditures by Object Or Purpose**

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

**IV. C - Capital Budget Breakout**

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

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

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

NONE

The capital budget for fund #144- Transportation Improvement Account will be decreased by an equal amount equal to the loss of revenue from the electric/plug-in vehicle renewal fee. The loss of revenue is indeterminate, but TIB assumed that all eligible vehicles would participate in the road usage charge program. DOL also developed an estimate, which assumed that 10% of vehicles would participate in the program. Based on these two estimates, the expected revenue loss would be between \$480,131 and \$4,501,305 in the 2025-27 biennium, and \$708,615 and \$6,786,150 in the 2027-29 biennium. Revenue figures are based on estimates provided by the Transportation Commission.

**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> 1832 HB	<b>Title:</b> Vehicle per mile charge	<b>Agency:</b> 410-Transportation Commission
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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: 02/15/2023
Agency Preparation: Aaron Halbert	Phone: 360-705-7118	Date: 02/17/2023
Agency Approval: Reema Griffith	Phone: 360-705-7070	Date: 02/17/2023
OFM Review: Maria Thomas	Phone: (360) 229-4717	Date: 02/17/2023

## 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.*

HB 1832 establishes a voluntary Road Usage Charge (RUC) program, beginning July 1, 2025, and sets a target date for implementation of a mandatory RUC program of January 1, 2030.

DOL, in consultation with the WSTC, must carry out a public outreach and education program prior to implementation of the voluntary program.

By December 1, 2024, the WSTC, in collaboration with DOL, must report to the transportation committees on the capability and willingness of vehicle manufacturers to partner with DOL to provide a manufacturer-based method for reporting vehicle miles traveled.

The WSTC must pursue federal grant funding opportunities for which the voluntary RUC program is eligible. The WSTC must also undergo a rulemaking process to allow proper disclosure of reporting methods by the implantation of the voluntary RUC program.

The WSTC will utilize existing resources to support the requirements of this bill. There is therefore no fiscal impact to the WSTC.

### 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.*