

Multiple Agency Fiscal Note Summary

Bill Number: 2051 HB	Title: Small off-road engines
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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 Attorney General	0	0	59,000	0	0	15,000	0	0	0
Total \$	0	0	59,000	0	0	15,000	0	0	0

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Fiscal note not available					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Attorney General	.2	0	0	59,000	.0	0	0	15,000	.0	0	0	0
Department of Revenue	Fiscal note not available											
Department of Ecology	.4	199,598	199,598	199,598	4.0	129,869	129,869	10,129,869	3.6	0	0	10,000,000
State Parks and Recreation Commission	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Fish and Wildlife	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Natural Resources	Fiscal note not available											
Total \$	0.6	199,598	199,598	258,598	4.0	129,869	129,869	10,144,869	3.6	0	0	10,000,000

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	Fiscal note not available								
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
State Parks and Recreation Commission	.0	0	0	.0	0	0	.0	0	0
Department of Fish and Wildlife	.0	0	0	.0	0	0	.0	0	0
Department of Natural Resources	Fiscal note not available								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Lisa Borkowski, OFM	Phone: (360) 742-2239	Date Published: Preliminary 1/10/2024
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Individual State Agency Fiscal Note

Bill Number: 2051 HB	Title: Small off-road engines	Agency: 100-Office of Attorney General
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Legal Services Revolving Account-State 405-1		59,000	59,000	15,000	
Total \$		59,000	59,000	15,000	

Estimated Operating Expenditures from:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.4	0.2	0.1	0.0
Account					
Legal Services Revolving Account-State 405-1	0	59,000	59,000	15,000	0
Total \$	0	59,000	59,000	15,000	0

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Jacob Lipson	Phone: 360-786-7196	Date: 01/02/2024
Agency Preparation: Chad Standifer	Phone: 3605863650	Date: 01/05/2024
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 01/05/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/10/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1: Legislative findings.

Section 2: Adding a new section to RCW 70A.30 – adopting the California small off-road engine and equipment standards as approved by the United States Environmental Protection Agency; authorizing the Department of Ecology (Ecology) to adopt rules to implement the standards; exempting chainsaws and generators from the Ecology rules, and authorizing Ecology to delay the effective date of the restrictions based on a determination that suitable zero emissions engine or equipment technology does not exist; defining “small off-road engine” and “small off-road equipment”.

Section 3: Adding a new section to RCW 43.21A – requiring Ecology to administer an outdoor power equipment grant program for local governments that use outdoor power equipment, with \$5,000,000 per year in dedicated funding beginning in 2025; defining certain terms; including an expiration clause of January 1, 2030.

Section 4: Adding a new section to RCW 82.08 – exempting the retail sales tax imposed by RCW 82.08.020 from the sale of zero emissions outdoor power equipment; defining certain terms; including an expiration clause of January 1, 2030.

Section 5: Adding a new section to RCW 82.12 – exemption the use tax imposed by RCW 82.12.020 from the use of zero emissions outdoor power equipment; defining certain terms; including an expiration clause of January 1, 2030.

Section 6: Amending RCW 70A.65.260 – authorizing that the Climate Commitment Account may be used for programs, activities, or projects that reduce and mitigate impacts from greenhouse gases and pollutants on vulnerable populations, including the outdoor power equipment grant program created by Section 3 of the bill, or transfers to the general fund to offset revenue losses from the tax preferences established by Section 4 and 5 of the bill.

Section 7: Severability clause.

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.

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is the Department of Ecology (Ecology). The Attorney General’s Office (AGO) will bill all clients for legal services rendered.

These cash receipts represent the AGO’s authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agency’s fiscal note. Appropriation authority is necessary in the AGO budget.

AGO AGENCY ASSUMPTIONS:

Ecology will be billed for non-King County rates:

FY 2025: \$59,000 for 0.20 Assistant Attorney General FTE (AAG), 0.10 Paralegal 1 FTE (PL).

FY 2026: \$15,000 for 0.05 AAG, 0.01 PL.

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.

Attorney General’s Office (AGO) Agency Assumptions:

This bill is assumed effective 90 days after the end of the 2024 legislative session.

Location of staffing is assumed to be in a non-King County office building.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 FTE (MA), is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 Paralegal 1 FTE (PL) and 0.35 MA.

1. Assumptions for the AGO Ecology Division’s (ECY) Legal Services:

FY 2025: AAG support for the rulemaking effort to both effectuate the California standards for small engine emissions, as well as rules implementing the required grant program. ECY AAG’s will provide significant support to both these efforts. We also anticipate litigation over the rule as a similar legislative effort on vehicle emissions has generated two lawsuits thus far.

FY 2026: AAG support for program and grant implementation.

Total non-King County workload impact:
 FY2025: \$59,000 for 0.20 AAG, and 0.10 PL.
 FY2026: \$15,000 for 0.05 AAG, and 0.03 PL.

2. The AGO Revenue and Finance Division (REV) has reviewed this bill and determined it will not increase or decrease the division’s workload. The enactment of this bill will not impact the provision of legal services to the Department of Revenue (DOR) because the DOR does not believe that the retail sales tax and use tax exemptions created by this bill will result in an increase in administrative appeals of DOR actions. The AGO may provide nominal legal services to the DOR in reviewing administrative rules implementing these tax exemptions. Therefore, no costs are included in this request.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
405-1	Legal Services	State	0	59,000	59,000	15,000	0
	Revolving Account						
Total \$			0	59,000	59,000	15,000	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.4	0.2	0.1	
A-Salaries and Wages		41,000	41,000	10,000	
B-Employee Benefits		12,000	12,000	3,000	
E-Goods and Other Services		6,000	6,000	2,000	
Total \$	0	59,000	59,000	15,000	0

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
Assistant Attorney General	129,100		0.2	0.1	0.0	
Management Analyst 5	95,184		0.1	0.0	0.0	
Paralegal 1	69,072		0.1	0.1	0.0	
Total FTEs			0.4	0.2	0.1	0.0

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Ecology Division (ECY)		59,000	59,000	15,000	
Total \$		59,000	59,000	15,000	

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

Bill Number: 2051 HB	Title: Small off-road engines	Agency: 461-Department of Ecology
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.9	0.4	4.0	3.6
Account					
General Fund-State 001-1	0	199,598	199,598	129,869	0
Climate Commitment Account-State 26C-1	0	0	0	10,000,000	10,000,000
Total \$	0	199,598	199,598	10,129,869	10,000,000

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: Jacob Lipson	Phone: 360-786-7196	Date: 01/02/2024
Agency Preparation: Andrew Contreras	Phone: 360-485-7648	Date: 01/09/2024
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 01/09/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/10/2024

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.

Currently, California is the only state with their own emission standards for new off-road engines or vehicles, which must be at least as protective of public health as federal standards and must be approved by the United States Environmental Protection Agency (EPA).

This bill would establish authority for the Department of Ecology to adopt rules that align with the California's small off-road engine and equipment standards, as well as establish an outdoor power equipment grant program to reduce emissions from fossil-fuel powered landscaping and outdoor power equipment.

Section 2 adds a new section to chapter 70A.30 RCW, Motor Vehicle Emission Standards, to adopt the California small off-road engine and equipment standards, and authorize Ecology to adopt rules to implement the standards and update them to maintain consistency with California. The standards may only apply to engines and equipment produced on or after January 1, 2027, or as soon as feasible and allowed under the federal clean air act, whichever is later. Exemptions are established for chainsaws and generators, and Ecology may temporarily delay the effective date for other categories or uses of devices if a suitable zero-emissions option doesn't exist.

Section 3 adds a new section to chapter 43.21A RCW that would require Ecology to administer an outdoor power equipment grant program for local governments to replace existing fossil-fuel powered equipment with zero-emissions equipment. Ecology must prioritize grants that result in the greatest benefits to vulnerable populations or reduce the most hazardous or occupational exposures caused by outdoor power equipment. The bill establishes the intent of the Legislature to dedicate \$5 million per calendar year for the grant program from 2025 through 2029. This section expires January 1, 2030.

Section 4 adds a new section to chapter 82.08 RCW that would create a sales tax exemption for sale of zero emissions outdoor power equipment beginning January 1, 2023 and expiring January 1, 2030.

Section 5 adds a new section to chapter 82.12 RCW that would create a use tax exemption beginning January 1, 2025 and expiring January 1, 2030.

Section 6 amends RCW 70A.65.260 to authorize the Climate Commitment Account to be used for programs, activities, or projects that reduce and mitigate impacts from greenhouse gases and pollutants on vulnerable populations, including the grant program created in section 3 and to offset revenue loss from the tax incentives created in sections 4 and 5.

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.

The expenditure impact to Ecology under this bill is estimated to be greater than \$50,000 in Fiscal Year (FY) 2025 and ongoing thru FY 2030 to implement sections 2 and 3.

Fund source: Section 6 would authorize the Climate Commitment Account to be used for implementing the outdoor power equipment grant program under section 3. Ecology has estimated costs for rulemaking under section 2 in General

Fund-State.

Section 2 - Rulemaking

Ecology assumes it would conduct rulemaking to adopt the California small off-road engine and equipment standards. Ecology assumes that it may amend the rules as needed to maintain consistency with California's standards.

Ecology also assumes it would be necessary to add new rules to establish exemptions criteria for the Small Off-Road Engine program prior to implementation of the program. Ecology assumes that although express rulemaking authority is not included in the bill language, this would be authorized under general rule making authority by RCW 34.05.322. The bill as currently written provides overall guidance, however, Ecology assumes rulemaking would be necessary as the bill includes requirements for exemptions in addition to the current California rule. While rulemaking would be additive to the adoption of the California rule, Ecology assumes that we would begin the rulemaking process immediately upon signature by the Governor and the rule making process would be complete within 18 months. Ecology assumes that rulemaking efforts would require an Environmental Justice assessment to be completed during the rulemaking process.

Ecology estimates that rulemaking would be moderately complex and generate substantial public interest and input. It would require eighteen months, from July 2024 to December 2025. This type of rulemaking would include two preproposal meetings to gather input from stakeholders and develop the Environmental Justice Assessment and one public hearing to accept comments on the rule proposal.

The following positions would be required for rulemaking:

0.5 FTE Environmental Planner 3 in FY 2025 and 0.25 FTE in FY 2026 – this position would be the rulemaking lead, coordinating the rulemaking effort.

0.25 FTE Environmental Engineer 6 in FY 2025 and 0.13 FTE in FY 2026 – this position would be the technical lead, advising on rule language and driving the overall policy change of the program.

The following positions would complete an economic and regulatory analysis of the rule: 0.2 FTE Economic Analyst 3 in FY 2026; 0.05 FTE Regulatory Analyst 2 in FY 2026.

Ecology would hold at least two public hearings in FY 2025 and one public hearing in FY 2026 for rulemaking. Goods and services estimates include facility rental costs estimated at \$1,000 per hearing (\$2,000 FY 2025 and \$1,000 FY 2026).

The Attorney General's Office estimates 0.20 FTE Assistant Attorney General at a cost of \$59,000 in FY 2025 and 0.05 FTE at a cost of \$15,000 in FY 2026, to advise Ecology on rulemaking efforts. Expenditures are shown in goods and services.

Section 3 - Small Off-Road Engine Grant Program

Ecology would administer a new grant program under section 3. Under this program, grants would be issued to local governments that use outdoor power equipment. Grant funds would only be used to replace existing, working-condition outdoor power equipment powered by liquid or gaseous or fossil fuels with zero emissions outdoor power equipment. Ecology would prioritize vulnerable populations as defined by RCW 70A.02.010 as part of the grant process.

The bill establishes the intent of the Legislature to dedicate \$5 million per calendar year for the grant program from calendar years 2025 through 2029. Ecology assumes the grant program would begin immediately after the rule is complete and the list of current requirements including exemptions is approved. Therefore, expenditures for the grant program are estimated to total \$5 million each year from FY 2026 through FY 2030.

Ecology assumes organizations would submit an application to Ecology which follows the guidelines stated in section 3. Ecology assumes coordination with local governments to administer the program. Upon approval, the grant recipient would use funds to replace the equipment noted in Section 3 through fewer, more expensive pieces of equipment such as specialty vehicles or standing mowers. In addition, the grant recipient would have the option to replace a large quantity of smaller equipment noted in Section 3 such as weed trimmers or leaf blowers.

Ecology assumes no new IT costs to administer the program. Ecology assumes no need for a new customized tracking or reporting portal. Additional costs to establish and maintain a grant program in Ecology's Administration of Grants and Loans (EAGL) system are shown in object E, Goods & Services. FY 2026 will include \$36,000 and \$7,500 will be included each year from FY 2026 through FY 2030.

Ecology estimates grant amounts of approximately \$4.5 million each year. Ecology assumes we would administer 75 grants per year up to \$60,000 per grant to provide replacement support for equipment referred to in section 3. Ecology assumes that 375 applicants would receive awarded funds over the program referred to in section 3(3).

Ecology estimates the following positions to implement the grant program beginning in FY 2026:

1.0 FTE Environmental Specialist 5 - This position would be the Grant Lead to support grant development, grant management, document review through the duration of the program.

1.0 FTE Environmental Specialist 3 - This position would provide grant development support, grant management support, and scappiness requirement review through the duration of the program.

1.0 FTE Environmental Specialist 4 - This position would provide grant support, contract management support, and reporting requirements through the duration of the program.

0.10 FTE Washington Management Service 2 - The program would require the assistance and management of a WMS2 to provide supervision, support, and outreach for the program through the duration of the program.

0.10 FTE Communication Consultant 3 - This position would provide support to developing and implementing of communication resources that include but not limited to web pages, blogs, and newsletters in FY 2026.

SUMMARY: The expenditure impact to Ecology under this bill is as follows:

Section 2: Rulemaking:

FY 2025: \$199,598 and 0.86 FTE

FY 2026: \$129,869 and 0.72 FTE

Section 3: Small Off-Road Engine Grant Program

FY 2026: \$5,000,000 and 3.68 FTEs

FY 2027: \$5,000,000 and 3.57 FTEs

FY 2028: \$5,000,000 and 3.57 FTEs

FY 2029: \$5,000,000 and 3.57 FTEs

THE TOTAL EXPENDITURE IMPACT to Ecology under this bill is estimated to be:

FY 2025: \$199,598 and 0.86 FTE

FY 2026: \$5,129,869 and 4.40 FTEs

FY 2027: \$5,000,000 and 3.57 FTEs

FY 2028: \$5,000,000 and 3.57 FTEs

FY 2029: \$5,000,000 and 3.57 FTEs

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 34.1% of salaries.

Goods and Services are the agency average of \$6,048 per direct program FTE. Also included are AGO costs of \$59,000 in FY 2025 and \$15,000 in FY 2026.

Travel is the agency average of \$2,205 per direct program FTE.

Equipment is the agency average of \$1,286 per direct program FTE.

Grants are included at approximately \$4.5 million each year from FY 2026 to FY 2030 based on the intent in section 3 to fund the grant program at \$5 million per year, minus costs to administer the program.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.8% of direct program salaries and benefits, and is shown as object 9. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development - Journey.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	199,598	199,598	129,869	0
26C-1	Climate Commitment Account	State	0	0	0	10,000,000	10,000,000
Total \$			0	199,598	199,598	10,129,869	10,000,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.9	0.4	4.0	3.6
A-Salaries and Wages		75,515	75,515	605,481	536,400
B-Employee Benefits		25,751	25,751	206,469	182,912
E-Goods and Other Services		65,536	65,536	101,413	52,498
G-Travel		1,654	1,654	15,282	13,672
J-Capital Outlays		965	965	8,913	7,974
N-Grants, Benefits & Client Services				8,950,349	8,992,188
9-Agency Administrative Overhead		30,177	30,177	241,962	214,356
Total \$	0	199,598	199,598	10,129,869	10,000,000

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
COMM CONSULTANT 3	71,149				0.1	
ECONOMIC ANALYST 3	95,627				0.1	
ENVIRONMENTAL ENGINEER 6	128,628		0.3	0.1	0.1	
ENVIRONMENTAL PLANNER 3	86,716		0.5	0.3	0.1	
ENVIRONMENTAL SPEC 3	74,489				1.0	1.0
ENVIRONMENTAL SPEC 4	86,324				1.0	1.0
ENVIRONMENTAL SPEC 5	95,387				1.0	1.0
FISCAL ANALYST 2			0.1	0.0	0.4	0.3
IT APP DEV-JOURNEY			0.0	0.0	0.2	0.2
REGULATORY ANALYST 2	88,798				0.0	
WMS BAND 2	120,000				0.1	0.1
Total FTEs			0.9	0.4	4.0	3.6

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.

Ecology assumes we would adopt California's small off-road engine and equipment standards by rule as authorized under section 2, and establish the small off-road engine program requirements by rule.

Individual State Agency Fiscal Note

Bill Number: 2051 HB	Title: Small off-road engines	Agency: 465-State Parks and Recreation Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost 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: Jacob Lipson	Phone: 360-786-7196	Date: 01/02/2024
Agency Preparation: Ryan Karlson	Phone: (360) 902-8650	Date: 01/10/2024
Agency Approval: Pam Barkis	Phone: (360) 902-8535	Date: 01/10/2024
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 01/10/2024

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.

House Bill 2051 proposes the adoption of California's small off-road engine and equipment (SORE) standards and authorizes the Department of Ecology to adopt rules to maintain standards.

State Parks utilize small equipment to perform necessary routine maintenance. There would be an indeterminate fiscal impact of over \$50,000 for the agency to replace hundreds of pieces of outdoor power equipment as identified in SORE standards.

Section 1 outlines the intent to accelerate the phasing out of fossil fuel-powered landscaping equipment by establishing temporary sales and use tax relief and temporary grant program.

Section 2 adopts California's small off-road engine and equipment (SORE) standards and authorizes the Department of Ecology to adopt rules to maintain consistency with California standards.

This proposal does not mandate transition to zero emission outdoor power equipment but would impact the agency's equipment purchasing decisions after January 1, 2027, or when deemed feasible by Ecology and allowed under the federal Clean Air Act, whichever is later. Ecology may temporarily delay the effective date for specific categories or use cases. The proposed SORE standards would noticeably impact the agency's future procurement of lawn mowers, weed trimmers, leaf blowers, pressure washers and other equipment meeting the definition of "small off-road engine or equipment" (producing less than 25 gross horsepower). Notably, this section exempts chainsaws and generators from proposed standards.

Section 3 establishes a temporary grant program for local governments to purchase zero emission outdoor power equipment. State Parks would not be eligible for this program.

Sections 4 and 5 establish temporary sale and use tax exemptions for zero emission outdoor power equipment that expire on January 1, 2030. This narrow period of tax exemption would provide limited cost relief to Parks given the scope of outdoor power equipment subject to these standards and the uncertain costs associated with full-scale equipment replacement.

Section 6 expands the Climate Commitment Account (CCA) to include the outdoor power equipment grant program and provides for transfers to the General Fund to offset revenue losses from sales and use tax exemptions for zero emission outdoor power equipment. This provision could reduce the amount of CCA funds available to provide relief to agencies that routinely operate outdoor equipment subject to these standards.

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.

State Parks would not be subject to near-term costs to implement or comply with this proposal. However, the agency has an inventory of small outdoor power equipment and would incur future fiscal impacts.

Within its 125 developed state parks, the agency maintains a large inventory of outdoor power equipment traditionally powered by fossil fuels. Inventory includes over 600 individual units of equipment subject to this proposed bill. Examples include lawn mowers, weed trimmers, blowers and other hand-held equipment that is used in the daily operation and maintenance of the state park system.

There would be an indeterminate upfront cost to replace existing inventory with electric models. The cost difference could range between \$100-\$1,000; assuming 600 items the additional cost to replace this equipment would be \$60,000 - \$600,000

Given the SORE standards have yet to be finalized by the federal Environmental Protection Agency (EPA), there is uncertainty whether outdoor power equipment subject to these standards would be available at a commercial scale required for Parks operation and maintenance.

The agency assumes that the standardized power equipment would be available and feasible to use after January 1, 2027. Additionally, Parks assumes the option to work with Ecology to temporarily delay the effective start date of restrictions if the agency is unable to find suitable alternatives as outlined in Section 2(b).

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

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

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost 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

Bill Number: 2051 HB	Title: Small off-road engines	Agency: 477-Department of Fish and Wildlife
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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.

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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 has no fiscal impact for DFW. The bill directs Ecology to create a grant program to incentivize electrification for small engines (e.g., lawnmowers) (Sec. 3). The bill also creates a sales tax exemption for zero-emission outdoor power equipment (Sec. 4 and 5). The incentives expire Jan. 1, 2030. The funding for the grant program and the sales tax exemption is provided through the existing Climate Commitment Account (Sec. 6).

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.