

Individual State Agency Fiscal Note

Bill Number: 5931 SB	Title: Motorized vehicle tires/6PPD	Agency: 461-Department of Ecology
-----------------------------	--	--

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	4.5	2.3	1.1	0.0
Account					
Model Toxics Control Operating Account-State 23P-1	0	665,148	665,148	285,877	0
Total \$	0	665,148	665,148	285,877	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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 01/03/2024
Agency Preparation: Vince Chavez	Phone: 360-338-5034	Date: 01/10/2024
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 01/10/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/14/2024

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.

Under current law, Chapter 70A.350 RCW, commonly known as Safer Products for Washington, Ecology is required to identify priority chemicals, identify priority consumer products containing those priority chemicals, and determine needed regulatory actions to reduce exposures to priority chemicals in consumer products. These actions occur on a set five-year repeating cycle, with mandatory reports submitted to the Legislature at key points.

This bill would amend RCW 70A.350.010, 70A.350.030, and 70A.350.050; add a new section to chapter 70A.350; and create a new section to expedite the safer products for Washington (SPWA) process regarding motorized vehicle tires containing 6PPD.

Section 2: Would amend RCW 70A.350.010 to define “6PPD” and identify it as a priority chemical.

Section 5: Would add a new section to Chapter 70A.350 RCW to include motorized vehicle tires containing 6PPD as a priority consumer product in which Ecology would determine regulatory actions and adopt rules consistent with RCW 70A.350.040.

- (1)(a) Would require Ecology to determine an initial set of regulatory actions by June 1, 2025; and
- (1)(b) Would require Ecology to adopt rules to implement regulatory actions by June 1, 2026; and
- (2) Would establish the definition of a “motorized vehicle tire.”

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 2026, to implement the requirements of section 5 of the bill.

Section 5(1)(a) – Regulatory Actions

Section 5(1)(a): Identify Regulatory Actions - Beginning July 1, 2024, Ecology would need to begin to determine an initial set of regulatory actions by June 1, 2025, for motorized vehicle tires that contain 6PPD. It is estimated that this work would require:

1.0 FTE Chemist 3 (Chem3) in FY 2025 to research 6PPD in motorized vehicle tires information regarding exposure and chemical hazard, and the feasibility and availability of safer alternatives, and prepare the report to the Legislature.

0.25 FTE Environmental Planner 3 (EP3) in FY 2025 to coordinate research efforts and assist in the preparation of the report to the Legislature.

0.25 FTE Toxicologist 3 (Tox3) in FY 2025 to provide toxicology expertise reviewing research on 6PPD in motorized

vehicle tires information regarding exposure and chemical hazard and prepare the report to the Legislature.

0.5 FTE Communications Consultant 3 (CC3) in FY 2025 to engage with stakeholders to obtain their expertise, input, and review and prepare the report to the Legislature and other outreach materials to maintain communication with stakeholders.

0.25 FTE Administrative Assistant 3 (AA3) in FY 2025 to provide administrative support to staff determining an initial set of regulatory actions, through correspondence, records management, and public disclosure.

0.10 FTE Economic Analyst 3 (EA3) in FY 2025 and 0.10 FTE of a Regulatory Analyst 2 (RA2) in FY 2025 would be needed to provide economic market analysis for proposed regulatory actions prior to rulemaking efforts.

An interagency (IAA) contract with the Department of Health (DOH) in the amount of \$60,000 would be needed to contract 0.2 FTE Toxicologist 3 and 0.1 FTE Toxicologist 4 in FY 2025 to help Ecology develop content for the regulatory report and provide critical review of the report.

Section 5(1)(b) – Rulemaking

Section 5(1)(b): Adopt Rules to Implement Regulatory Actions - Beginning July 1, 2024, Ecology would need to adopt final rules to implement the regulatory actions identified above to be completed by June 1, 2026. It is estimated that this would require:

0.25 FTE Chemist 3 (Chem3) in FY 2025 and 0.5 FTE in FY 2026 to participate in the rulemaking process, assist with preparation of economic analysis documents, assist with preparation of a Concise Explanatory Statement, and develop rule language.

0.5 FTE Environmental Planner 3 (EP3) in FY 2025 and 0.5 FTE in FY 2026 to coordinate the rulemaking process, assist with preparation of economic analysis documents, assist with preparation of a Concise Explanatory Statement, develop rule language, and develop and file rulemaking documents.

0.5 FTE Communications Consultant 3 (CC3) in FY 2025 and 0.25 FTE in FY 2026 to engage with stakeholders throughout the rulemaking process, assist with preparation of economic analysis documents, assist with preparation of a Concise Explanatory Statement, assist with development of rule language, develop outreach materials as needed so as to maintain the current level of communication with stakeholders, and develop and file rulemaking documents.

0.25 FTE Administrative Assistant 3 (AA3) in FY 2025 and 0.25 FTE in FY 2026 to provide administrative support to staff adopting rules to implement regulatory actions, through correspondence to stakeholders, records management, and public disclosure.

0.25 FTE Economic Analyst 3 (EA3) in FY 2026 and 0.1 FTE of a Regulatory Analyst 2 (RA2) in FY 2026 would be needed to prepare the cost benefit analysis of the priority chemical and priority consumer product regulatory actions. The proposed rulemaking would include an evaluation of the expected costs and benefits and a small business economic impact statement, consistent with current law and practice.

Note: Ecology assumes no additional Attorney General Office (AGO) advice costs for rulemaking to implement regulatory actions as a result of this section. This would be covered under existing scheduled SPWA review and recommendations provided by the AGO.

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

Section 5 (1)(a) is estimated to require:

FY 2025: \$449,289 and 2.8 FTEs

Section 5 (1)(b) is estimated to require:

FY 2025: \$215,859 and 1.7 FTEs

FY 2026: \$285,877 and 2.1 FTEs

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

FY 2025: \$665,148 and 4.54 FTEs

FY 2026: \$285,877 and 2.13 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.

Contracts (object C) reflects \$60,000 in FY 2025 for IAA with DOH for toxicologist services for section 5 of the bill.

Goods and Services are the agency average of \$6,048 per direct program FTE.

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

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

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
23P-1	Model Toxics Control Operating Account	State	0	665,148	665,148	285,877	0
Total \$			0	665,148	665,148	285,877	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		4.5	2.3	1.1	
A-Salaries and Wages		326,013	326,013	154,100	
B-Employee Benefits		111,170	111,170	52,547	
C-Professional Service Contracts		60,000	60,000		
E-Goods and Other Services		23,890	23,890	11,189	
G-Travel		8,711	8,711	4,080	
J-Capital Outlays		5,083	5,083	2,381	
9-Agency Administrative Overhead		130,281	130,281	61,580	
Total \$	0	665,148	665,148	285,877	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
ADMIN ASSISTANT 3	54,194		0.5	0.3	0.1	
CHEMIST 3	93,238		1.3	0.6	0.3	
COMM CONSULTANT 3	71,149		1.0	0.5	0.1	
ECONOMIC ANALYST 3	95,627		0.1	0.1	0.1	
ENVIRONMENTAL PLANNER 3	86,716		0.8	0.4	0.3	
FISCAL ANALYST 2			0.4	0.2	0.1	
IT APP DEV-JOURNEY			0.2	0.1	0.1	
REGULATORY ANALYST 2	88,798		0.1	0.1	0.1	
TOXICOLOGIST 3	110,946		0.3	0.1		
Total FTEs			4.5	2.3	1.1	0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Section 5 (1)(b) of this bill would require new rules to adopt the regulatory actions identified in Section 5 (1)(a). Rulemaking is estimated to occur between July 1, 2024, and June 1, 2026.