

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 2262 HB	<b>Title:</b> Tire rolling resistance
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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	29,000	0	0	27,000	0	0	10,000
<b>Total \$</b>	<b>0</b>	<b>0</b>	<b>29,000</b>	<b>0</b>	<b>0</b>	<b>27,000</b>	<b>0</b>	<b>0</b>	<b>10,000</b>

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	No fiscal impact					
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	29,000	.3	0	0	27,000	.2	0	0	10,000
Department of Commerce	.9	410,717	410,717	410,717	3.2	2,117,724	2,117,724	2,117,724	3.0	2,399,680	2,399,680	2,399,680
Department of Enterprise Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Washington State Patrol	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Transportation	Fiscal note not available											
<b>Total \$</b>	<b>1.1</b>	<b>410,717</b>	<b>410,717</b>	<b>439,717</b>	<b>3.5</b>	<b>2,117,724</b>	<b>2,117,724</b>	<b>2,144,724</b>	<b>3.2</b>	<b>2,399,680</b>	<b>2,399,680</b>	<b>2,409,680</b>

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	No fiscal impact								
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 Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Enterprise Services	.0	0	0	.0	0	0	.0	0	0
Washington State Patrol	.0	0	0	.0	0	0	.0	0	0
Department of Transportation	Fiscal note not available								
<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>

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	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Cheri Keller, OFM	Phone: (360) 584-2207	Date Published: Preliminary 1/23/2024
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2262 HB	<b>Title:</b> Tire rolling resistance	<b>Agency:</b> 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		29,000	29,000	27,000	10,000
<b>Total \$</b>		29,000	29,000	27,000	10,000

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.3	0.2	0.3	0.2
<b>Account</b>					
Legal Services Revolving Account-State 405-1	0	29,000	29,000	27,000	10,000
<b>Total \$</b>	0	29,000	29,000	27,000	10,000

### 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: Jennifer Harris	Phone: 360-786-7143	Date: 01/15/2024
Agency Preparation: Dave Merchant	Phone: 360-753-1620	Date: 01/18/2024
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 01/18/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/19/2024

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- New section. Findings and intent.

Section 2 - New section. Definitions.

Section 3 - New section. Applies to car and light truck replacement tires. Department of Commerce (Commerce) shall establish and enforce energy standards for replacement tires and may adopt rules regulating a variety of related activities. Commerce may prohibit sale or offering for sale of replacement tires that do not meet energy standards. Rules adopted by Commerce may not negatively impact traction or safety. Exemptions for snow tires, spare tires, off-road and agricultural-use tires, tires for vehicles with three or fewer wheels. Rules may require display of energy efficiency ratings at physical or online point of sale.

Section 4 - New section. Rulemaking to implement and enforce chapter authorized. Delegation authorized. Penalties from \$100 to \$10,000 per violation authorized. Rules adopted to enforce chapter must not go into effect for at least one year after adoption.

Section 5 - New section. Washington State Patrol (WSP) may update applicable rules.

Section 6 - New section. Savings clause.

Section 7 - New section. Sections 1 through 4 are a new chapter in Title 19 RCW.

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

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.

LSRA Divisions:

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 Commerce (Commerce). 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:

Commerce will be billed for non-King County rates:

FY 2025: \$29,000 for 0.1 Assistant Attorney General FTE (AAG) and 0.1 Paralegal 1 FTE (PL1).

FY 2026: \$22,000 for 0.1 AAG and 0.1 PL1.

FY 2027 and in each FY thereafter: \$5,000 for 0.1 AAG and 0.1 PL1.

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 (PL1) and 0.4 MA.

#### 1. Assumptions for the AGO Agriculture & Health Division (AHD) Legal Services for the Department of Commerce (Commerce):

This bill will require Commerce to adopt energy efficiency standards for replacement vehicle tires, and to set up a regulatory program to enforce tire standards, and to immediately adopt rules to enforce the bill. Commerce will require legal advice with respect to initial program structure and implementation, and rulemaking. Rulemaking is expected to be contentious, with industry opposition, which will increase the need for legal advice. Commerce will require ongoing legal advice during implementation of the new regulatory program. Commerce will require ongoing legal representation each FY thereafter in administrative enforcement proceedings with respect to tire energy efficiency standards.

The AGO will bill Commerce for legal services based on the enactment of this bill.

AHD: Total non-King County workload impact:

FY 2025: \$29,000 for 0.1 AAG and 0.1 PL1

FY 2026: \$22,000 for 0.1 AAG and 0.1 PL1

FY 2027 and in each FY thereafter: \$5,000 for 0.1 AAG and 0.1 PL1

2. The AGO Transportation and Public Construction (TPC) has reviewed this bill and determined it will not significantly increase or decrease the division's workload in representing the Washington State Department of Transportation (WSDOT). This bill does not impose any direct duties on WSDOT, and any duties or requirements ultimately delegated by the Commerce would require little if any additional attorney advice. New legal services are nominal and costs are not included in this request.

3. The AGO Criminal Justice Division (CRJ) has reviewed this bill and determined it will not increase or decrease the division's workload in representing Washington State Patrol (WSP). Section 5 would allow WSP to update the rules authorized in Chapter 46.37 RCW to reference rules adopted by Department of Corrections (DOC) in Section 4. Section 3 of the bill may impact the manner in which WSP uses tires. Therefore, no costs are included in this request.

4. The AGO Solicitor General's Office (SGO) has reviewed this bill and determined it will not increase or decrease the division's workload. Therefore, no costs are included in this request.

5. The AGO Administrative Division (ADM) has reviewed this bill and determined it will not increase or decrease the division's workload. 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	29,000	29,000	27,000	10,000
	Revolving Account						
Total \$			0	29,000	29,000	27,000	10,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.3	0.2	0.3	0.2
A-Salaries and Wages		20,000	20,000	18,000	6,000
B-Employee Benefits		6,000	6,000	6,000	2,000
E-Goods and Other Services		3,000	3,000	3,000	2,000
Total \$	0	29,000	29,000	27,000	10,000

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
Assistant Attorney General	129,100		0.1	0.1	0.1	0.1
Management Analyst 5	95,184		0.1	0.1	0.1	
Paralegal 1	69,072		0.1	0.1	0.1	0.1
Total FTEs			0.3	0.2	0.3	0.2

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Agriculture & Health Division (AHD)		29,000	29,000	27,000	10,000
Total \$		29,000	29,000	27,000	10,000

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

<b>Bill Number:</b> 2262 HB	<b>Title:</b> Tire rolling resistance	<b>Agency:</b> 103-Department of Commerce
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## Part I: Estimates

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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	1.8	0.9	3.2	3.0
<b>Account</b>					
General Fund-State 001-1	0	410,717	410,717	2,117,724	2,399,680
<b>Total \$</b>	0	410,717	410,717	2,117,724	2,399,680

### 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: Jennifer Harris	Phone: 360-786-7143	Date: 01/15/2024
Agency Preparation: Marla Page	Phone: 360-725-3129	Date: 01/23/2024
Agency Approval: Marla Page	Phone: 360-725-3129	Date: 01/23/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/23/2024

## 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.*

The bill relates to reducing rolling resistance of motor vehicle replacement tires; adds a new section to chapter 46.37 RCW; adds a new chapter to Title 19 RCW; and prescribes penalties.

Section 1 of the bill states findings and intent of the bill.

Section 2 provides for definitions.

Section 3 of the bill authorizes the Department of Commerce (department) to establish and enforce energy efficiency standards for replacement tires on light-duty vehicles, including the adoption and implementation of:

- Testing procedures;
- Reporting requirements and a database to create public information on tires;
- A rating system and labeling requirements; and
- Minimum standards and the prohibition of sales that do not meet such standards, with certain exceptions.

Section 3(a) states the department may not prohibit sales of replacement tires on light-duty vehicles based on these standards if independent testing demonstrates there is an adverse effect on safety or longevity.

Section 4 authorizes the department to enforce compliance with adopted rules to implement requirements in Section 3, including inspections and civil penalties.

Section 5 adds a new chapter to 46.37 and authorizes Washington State Patrol (WSP) to refer to Department of Commerce rules in their section of WAC to help with awareness and compliance.

Section 6 provides a severability clause to state any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act is not affected.

Section 7 creates a new chapter.

### 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.

The department would generate no revenue as a result of the legislation.

Section 5 authorizes the department, or another delegated agency, to issue civil penalties (between \$100 and \$10,000 per occurrence, as determined by the department) for any person or entity who violates adopted rules again after receiving a warning.

No account is specified in the bill for collection of penalties, so any revenue collected is assumed would go to the state general fund.

### 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.*

## Section 3 and 4 – Development and adoption of rules

### General assumptions

The department assumes the development of energy efficiency standards for replacement tires through rulemaking.

#### Timeline:

- The department assumes that it would initiate a rulemaking within a few months of the act's effective date.
- The department assumes rulemaking would complete, with a CR-103 adopted, between January 1, 2025 and June 30, 2025.

#### Staffing:

- The rulemaking process would require policy experience and process management that is best carried out by an Energy Policy Specialist (EMS1). The department assumes the position can be hired to start Sept. 1, 2024 and therefore be 0.80 FTE in FY25.
- A Senior Energy Policy Specialist (EMS2) would need initiate the rulemaking and hire and supervise the new EMS1 position. This is assumed to be 0.30 FTE in FY25
- Two Management Analyst (MA4) positions, the rules coordinator and clean transportation policy engagement specialist, would provide administrative, process, and public engagement support to the EMS1 position. This is assumed to be 0.30 total between the two positions.
- The 1.40 FTE collectively will go towards administering the rulemaking process, conducting industry representative interviews and meetings, facilitating data requests, analyzing tire testing and market data, reviewing studies and research, coordinating with other state energy offices and Washington state agencies, organizing and facilitating public workshops, coordinating public comment opportunities and review, complete the environmental justice assessment and provide other documentation of HEAL Act compliance, and drafting and refining rule language.
- A Data Management Business Analyst (ITBA 2) will advise the rulemaking team on database needs and provide support on data storage and transparency if the rulemaking process includes a data request. This is assumed to be 0.10 FTE in 2025.

#### Travel:

- The agency assumes a small amount of travel will be needed to do community and industry engagement and coordinate with other state energy offices.

#### Consulting:

- At this time, the department assumes a contractor will be hired to conduct economic analysis and estimates cost for the contract at \$50,000.
- Commerce assumes independent testing of tires will not be needed during rulemaking.
- Section 3, Subsection (3)(a)(i) prohibits the department from prohibiting sales of replacement tires that do not meet the adopted energy efficiency standard based on rolling resistance if independent testing demonstrates doing so would have an adverse effect on safety as demonstrated by wet grip or traction, or tire longevity as demonstrated by treadwear, in independent testing verified by the department.
- Existing independent testing of tires sold in the North American market, including those sold in Washington, shows very weak correlation between rolling resistance and wet grip, traction, and treadwear.

#### Legal services:

- The department assumes legal analysis of 180 hours at a rate of \$210 per hour during rulemaking. This totals \$37,800 for FY25 in reimbursements to the Attorney General's Office (AGO).

- This is based on advice from the department's assigned assistant attorneys general on funding needed to conduct legal analysis of federal and state law, review rule language, and provide advice to the department.

#### Section 4 – Implementation and enforcement of rules

##### Timeline:

- The department assumes implementation will begin immediately after rule adoption with preparation for enforcement taking place in the year between adoption and effective date.
- The department assumes rules will go into effect between Jan. 1, 2026, and June 30, 2026, based on the urgency of the public benefits and the legislation's prohibition on having rules go into effect within one year of final adoption.
- The department assumes rules will then be enforced with the same level of effort each year on an ongoing basis.

##### Staffing:

- Following rule adoption, the department assumes the EMS2 position will provide continued oversight of program development in FY26 and continue to supervise the EMS1 position throughout implementation.
- The department assumes the EMS1 position will continue and lead implementation of the rules, oversee contracting and the hiring and supervision of a Commerce Specialist 3 (COM3) position, analyze testing results to determine compliance, assessment program effectiveness, and provide ongoing policy and economic analysis on vehicle and tire efficiency under supervision of the EMS2 position.
- The department assumes the COM3 position will administer contracts and enforcement activities under direction of the EMS1 position. Enforcement activities include providing guidance to tire retailers, supporting the EMS1 position on reviewing testing results, issuing warnings to first time violators, issuing civil penalties to repeat violators, collecting penalty payments, and working with collection agencies as needed.
- The department assumes a reduced level of support, 0.10 FTE, from the clean transportation public engagement specialist MA4 position, to continue conversations with industry actors and community organizations to assess effects from implementation.
- The ITBA-2 position will stay on the project in FY26 and support database coordination with the California Energy Commission. With a larger workload on setting up database access and usage, this is assumed to be 0.2 FTE. In FY27 and each year after, the workload is assumed to be 0.1 FTE.
- A Data Management Journey (ITDM 2) position will start in FY26 to complete database work in support of the EMS 1 and COM 3. This is assumed to be 0.2 FTE each fiscal year.

##### Travel:

- The agency assumes a small amount of travel will be needed to do community and industry engagement and coordinate with other state energy offices.

##### Consulting:

- The department assumes the hiring of a contractor to conduct field inspections and test tires for sale in Washington to verify compliance with rules.
- Based on interviews with industry sources, the department assumes a cost of \$500,000 for testing and \$200,000 for field inspections per year.
- The department assumes the use of California Energy Commission's database (as proposed in their draft regulations) through a data sharing agreement, rather than development of a unique database in Washington. This is a standard cost-saving practice for energy efficiency standards, and prevents the need for a contractor database vendor.

##### Interagency reimbursements:

- The department assumes continued legal analysis during program development in FY26 of 150 hours at a rate of \$210 per hour. This totals \$31,500 for FY26 in reimbursements to the Attorney General's Office (AGO).
- The department assumes continued legal analysis during implementation of rules following the effective date. This is assumed to total 40 hour a year at a rate of \$210 per hour. This totals \$8,400 for annual reimbursements to the Attorney General's Office (AGO) starting in FY27 and each year thereafter.

- This is based on advice from the department's assigned assistant attorneys general on funding needed to continue legal analysis of federal and state law and provide advice to the department.

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To complete this work the department estimates (FY25-FY29):

0.30 FTE EMS2 Senior Energy Policy Specialist (625 hours) in FY25 to initiate the rulemaking, hire and supervise the EMS1 position, and report rulemaking and program progress to department leaders and the Governor's Office. The department assumes .020 FTE (416 hours) in FY26 for ongoing supervision and policy guidance and direction, and 0.10 FTE (208 hours) in FY27-29 for ongoing guidance and direction.

0.80 FTE EMS1 Energy Policy Specialist (1,670 hours) in FY25 and 1.0 (2,088 hours) in FY26-29 to administer the rulemaking process, participate in industry representative interviews and meetings, analyze tire testing and market data, review studies and research, coordinate with other state energy offices and Washington state agencies, participate in public workshops, oversee public comment opportunities and review, complete the environmental justice assessment and provide other documentation of HEAL Act compliance, draft and refine rule language, lead implementation of the rules, oversee contracting, hire and supervise the Com3 position, analyze testing results to determine compliance, assessment program effectiveness, and provide ongoing policy and economic analysis on vehicle and tire efficiency under supervision of the EMS 2 position.

0.20 FTE Management Analyst 4 (425 hours) in FY25 and .10 FTE MA4 (208 hours) in FY25 to provide support to the EMS1 position to administer the rulemaking process, provide advice to the EMS positions on rule and policy development and implementation, and coordinate public engagement activities, including facilitation of industry representative interviews and meetings, public workshops, and community meetings, and supporting the community engagement components of the Environmental Justice Assessment. The department estimates .10 FTE MA4 (208 hours) in FY26-FY29 to coordinate and attend meetings and stakeholder engagement work.

1.0 FTE Commerce Specialist 3 (2,088 hours) in FY26-FY29 to administer contracts and conduct enforcement activities under direction of the EMS1 position, including providing guidance to tire retailers, supporting the EMS1 position on reviewing testing results, issuing warnings to first time violators, issuing civil penalties to repeat violators, collecting penalty payments, and working with collection agencies as needed.

0.10 FTE IT Business Analyst - Journey, ITBA-2 (208 hours) in FY25 to support database coordination with the California Commission. The department estimates with a larger workload on setting up database access and usage, this is assumed to be 0.20 FTE ITBA-2 (416 hours) in FY26 and will reduce to .10 FTE ITBA-2 (208 hours) in FY27 and each year after.

0.20 FTE Data Management – Journey, ITDM 2 (416 hours) in FY26-FY29 to complete database work in support of the EMS1 and COM 3.

**Salaries and Benefits:**

FY25: \$223,168

FY26:\$376,915

FY27-FY29: \$344,705 per fiscal year

Professional Service Contracts include \$50,000 for economic analysis in FY25, \$350,000 for tire testing and field inspection planning and program development in FY26 (includes potential costs for testing and inspections to start if effective date takes place in FY26), and \$700,000 in each FY27-FY29 for tire testing and field inspections.

**Professional Service Contracts:**

FY25: \$50,000

FY26: \$350,000  
FY27-FY29: \$700,000 per fiscal year

Goods and Services and travel:  
FY25: \$59,127  
FY26: \$64,364  
FY27-FY29: \$39,327 per fiscal year

Goods and Services include AAG cost for rulemaking of \$37,800 in FY25, \$31,500 in FY26 and \$8,400 in each FY27-FY29. This also includes supplies and employee training.

Equipment  
The department assumes the purchase of one standard workstation for new EMS1 FTE when hired in FY25 and one standard workstation for new Com3 in FY26, and laptop replacements for staff in FY29.

FY25: \$5,000  
FY26: \$5,000  
FY29: \$4,800

Note: Standard goods and services costs include supplies and materials, employee development and training, Attorney General costs, central services charges and agency administration. Agency administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

Intra-agency Reimbursement:  
FY25: \$73,422  
FY26: \$124,005  
FY27-FY29: \$113,408 per fiscal year

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Total Costs

FY25: \$410,717  
FY26: \$920,284  
FY27-FY28: \$1,197,440 per fiscal year  
FY29: \$1,202,240

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	410,717	410,717	2,117,724	2,399,680
Total \$			0	410,717	410,717	2,117,724	2,399,680

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		1.8	0.9	3.2	3.0
A-Salaries and Wages		168,574	168,574	540,749	516,214
B-Employee Benefits		54,594	54,594	180,871	173,196
C-Professional Service Contracts		50,000	50,000	1,050,000	1,400,000
E-Goods and Other Services		52,284	52,284	90,005	64,968
G-Travel		6,843	6,843	13,686	13,686
J-Capital Outlays		5,000	5,000	5,000	4,800
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		73,422	73,422	237,413	226,816
9-					
<b>Total \$</b>	0	410,717	410,717	2,117,724	2,399,680

**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
Administrative Services - Indirect	111,168		0.3	0.2	0.6	0.5
Commerce Specialist 3	88,744				1.0	1.0
EMS1	111,871		0.8	0.4	1.0	1.0
EMS2	132,855		0.3	0.2	0.2	0.1
IT Business Analyst - Journey ITBA-2	112,506		0.1	0.1	0.2	0.1
IT Data Management - Journey ITDM-2	118,165				0.2	0.2
Management Analyst 4	93,234		0.3	0.2	0.1	0.1
<b>Total FTEs</b>			1.8	0.9	3.2	3.0

**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

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 4 of the bill provides for rulemaking authority. The department assumes we will do rulemaking.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2262 HB	<b>Title:</b> Tire rolling resistance	<b>Agency:</b> 179-Department of Enterprise Services
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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.

<b>Legislative Contact:</b> Jennifer Harris	<b>Phone:</b> 360-786-7143	<b>Date:</b> 01/15/2024
<b>Agency Preparation:</b> Michael Diaz	<b>Phone:</b> (360) 407-8131	<b>Date:</b> 01/18/2024
<b>Agency Approval:</b> Jessica Goodwin	<b>Phone:</b> (360) 819-3719	<b>Date:</b> 01/18/2024
<b>OFM Review:</b> Val Terre	<b>Phone:</b> (360) 280-3973	<b>Date:</b> 01/18/2024

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 3 is a new section added to chapter 46.37 RCW requiring Department of Commerce (COM) to establish energy efficiency standards for replacement tires, describing adoption and implementation strategies.

Section 4 is a new section added to chapter 46.37 RCW that states that COM may adopt and amend rules as necessary to implement this chapter, and rules must go into effect no sooner than one year following the final rule adoption.

The Department of Enterprise Services (DES) manages a statewide contract for motor vehicle tires and may need to incorporate energy efficiency standards and requirements developed by COM per Section 3. The work associated with updating the statewide contract for motor vehicle tires can be done within existing resources.

There is no fiscal impact to the Department of Enterprise Services.

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> 2262 HB	<b>Title:</b> Tire rolling resistance	<b>Agency:</b> 225-Washington State Patrol
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

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: Jennifer Harris	Phone: 360-786-7143	Date: 01/15/2024
Agency Preparation: Julia Moser	Phone: 360-596-4044	Date: 01/22/2024
Agency Approval: Mario Buono	Phone: (360) 596-4046	Date: 01/22/2024
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 01/22/2024

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.

This bill has an indeterminate fiscal impact to the Washington State Patrol (WSP).

Section 3 allows the Department of Commerce (Commerce) to establish and enforce energy efficiency standards for replacement tires for passenger cars or light duty trucks for sale in Washington state.

Section 4 allows Commerce to adopt and amend rules to implement, administer, and enforce these new standards.

Section 5 allows the WSP to also update rules authorized in this bill to reference rules adopted by Commerce in Section 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.

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.

There will be no impact to the WSP on enforcement. Commerce has assumed that they will handle the enforcement of this act. So there should also be no impact from Section 5.

There could be a fiscal impact to the WSP as a consumer of tires. It is unknown what the impact would be on cost or savings (changes to initial cost of tires, changes to life of tires, etc.). Additionally, emergency response pursuit vehicles need to have pursuit-rated tires. This needs to contain an all-season design and a snow tire design in a pursuit rating. If the products end up not being available in a pursuit rating, and there is no exemption for emergency response vehicles, our cars will lose their pursuit rating. There could also be unknown fiscal impact from this bill should SB 5931 also pass.

Commerce has also issued an assumption that they will consult with the WSP to make a determination of efficiency standards that comply with standards to be developed in Section 3. The impact to participation in this consultation is unknown.

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.*

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

<b>Bill Number:</b> 2262 HB	<b>Title:</b> Tire rolling resistance
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## Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

### Legislation Impacts:

- ☐ Cities:
- ☐ Counties:
- ☐ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

## Part II: Estimates

- ☒ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☐ Key variables cannot be estimated with certainty at this time:

### Estimated revenue impacts to:

None

### Estimated expenditure impacts to:

None

## Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 01/18/2024
Leg. Committee Contact: Jennifer Harris	Phone: 360-786-7143	Date: 01/15/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/18/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/18/2024

## **Part IV: Analysis**

### **A. SUMMARY OF BILL**

*Description of the bill with an emphasis on how it impacts local government.*

This act directs the Department of Commerce to set statewide energy efficiency standards for light truck and passenger car replacement tires that have a low rolling resistance coefficient.

This bill would go into effect 90 days after the adjournment of the session in which it is passed.

### **B. SUMMARY OF EXPENDITURE IMPACTS**

*Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.*

This bill would not impact local governments as it does not require them to take action.

### **C. SUMMARY OF REVENUE IMPACTS**

*Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.*

This bill would not impact local governments as it does not require them to take action.