

Multiple Agency Fiscal Note Summary

Bill Number: 2401 HB	Title: Refrigerant gases
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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	11,000	0	0	33,000	0	0	10,000
Department of Ecology	0	0	0	0	0	0	0	0	386,591
Total \$	0	0	11,000	0	0	33,000	0	0	396,591

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	11,000	.3	0	0	33,000	.2	0	0	10,000
Department of Ecology	1.5	0	0	462,450	3.0	0	0	976,413	2.1	0	0	661,080
Environmental and Land Use Hearings Office	.0	0	0	0	.3	81,240	81,240	81,240	.3	79,844	79,844	79,844
Total \$	1.7	0	0	473,450	3.6	81,240	81,240	1,090,653	2.6	79,844	79,844	750,924

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 Ecology	.0	0	0	.0	0	0	.0	0	0
Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

This revised version contains an updated fiscal note for the Office of the Attorney General.
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Phone:
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Date Published:
Revised 1/23/2024

Individual State Agency Fiscal Note

Revised

Bill Number: 2401 HB	Title: Refrigerant gases	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		11,000	11,000	33,000	10,000
Total \$		11,000	11,000	33,000	10,000

Estimated Operating Expenditures from:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.3	0.2	0.3	0.2
Account					
Legal Services Revolving Account-State 405-1	0	11,000	11,000	33,000	10,000
Total \$	0	11,000	11,000	33,000	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: Jacob Lipson	Phone: 360-786-7196	Date: 01/16/2024
Agency Preparation: Amy Flanigan	Phone: 509-456-3123	Date: 01/23/2024
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 01/23/2024
OFM Review: Val Terre	Phone: (360) 280-3973	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.

Section 1 - New section. Intent and Findings.

Section 2 - New section. Definitions.

Section 3 - New section. Requires producers of refrigerants to register with Washington State and participate in a Stewardship Organization (SO). Sets out timelines and requirements for the SO.

Section 4 - New section. Requires SO to submit a plan to the Department of Ecology (Ecology) by July 1, 2028. Sets out the required components of the plan.

Section 5 - New section. Requires performance measurements to achieve the 2032 target. Allows Ecology to review performance targets and adjust as needed. Also allows for additional reporting requirements and requires submission of an annual report.

Section 6 - New section. Sets out requirements for collection and management of refrigerants. Sets out requirements for collection sites.

Section 7 - New section. Requirements for SO to carry out promotions activities to support plan implementation.

Section 8 - New section. SO must ensure they have adequate funding to implement the plan. This includes developing and implementing a system to college charges. Sets out rates and allows Ecology to adjust the rate.

Section 9 - New section. Starting July 1, 2029 producers must be in a SO in order to sell refrigerants. Failure to comply may result in penalties.

Section 10 - Requirements for annual reports and what must be included in reports.

Section 11 - Allows SO to request that records be made available only for confidential use of Ecology.

Section 12 - New section. Ecology roles and responsibilities.

Section 13 - New section. Permits Ecology to impose civil penalties and sets out procedure for doing so.

Section 14 - New section. Grants immunity from state laws relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade and commerce.

Section 15 - New section. Creates an account in the custody of the State Treasurer.

Section 16 - New section. Prohibitions on use of funds in account.

Section 17 - New section. Limitations. This chapter does not limit applicability of several other chapters.

Section 18 - New section. Added to chapter 82.04 RCW. Tax exemption.

Section 19 - Reenacts and amends RCW 43.21B.110. Adds Section 13 of this act to this statute regarding hearing board jurisdiction.

Section 20 - Reenacts and amends RCW 43.21B.300. Adds Section 13 of this act to statute regarding civil penalties.

Section 21 - Amends RCW 70A.65.260. Adds penalties from Section 13 of this act to statute.

Section 22 - New section. Section 1 through 17 are a new chapter in Title 70A RCW.

Section 23 - Severability clause.

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.

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: \$10,000 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: \$11,000 for 0.1 AAG and 0.1 PL1
- FY 2028 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 Ecology Division (ECY) Legal Services for the Department of Ecology (Ecology):

The AGO will bill Ecology for legal services based on the enactment of this bill. Section 12(1) requires Ecology to adopt rules as necessary to implement, administer, and enforce the requirements of the bill. ECY assumes this rulemaking will be highly technical and legally complex which will take two years to complete starting January 2025 estimated to end December 2026. The rule will need to establish procedures and criteria for the review, approval, and revision of refrigerant stewardship plans in Section 4 and for the issuance of infeasibility waivers in Section 12(5), in addition to provisions regarding fees in Section 12(2), reporting in Sections 5(4), 10, and 13(2)(d), and enforcement in Section 13. ECY assumes substantial legal advice will be needed throughout the rulemaking process to ensure consistency with existing state and federal laws as well as new federal rules that are currently in the proposal phase. For example, the rule will need to harmonize the confidentiality provisions of Section 11 with federal law that prohibits states from making “emissions data” confidential. In addition, the rulemaking may need to amend a provision of Ecology’s existing Hydrofluorocarbons (HFC) rule, WAC 173-443-205, in order to maintain consistency with updated federal regulations as provided in Section 6(4). Finally, an Environmental Justice Assessment will also be required for this rulemaking under the Healthy Environment for All Act (HEAL). During FY 2025 and FY 2027, 0.04 AAG will be required to provide legal advice and guidance to support the rulemaking. During FY 2026, 0.08 AAG will be required to provide legal advice and guidance to support the rulemaking. From FY 2027 and in each FY thereafter, 0.02 AAG will be required for legal advice and support for implementation and enforcement.

ECY: Total non-King County workload impact:
 FY 2025: \$10,000 for 0.1 AAG and 0.1 PL1
 FY 2026: \$22,000 for 0.1 AAG and 0.1 PL1
 FY 2027: \$11,000 for 0.1 AAG and 0.1 PL1
 FY 2028 and in each FY thereafter: \$5,000 for 0.1 AAG and 0.1 PL1

2. The AGO Revenue and Finance Division (REV) has reviewed this bill and determined it will not significantly increase or decrease the division’s workload in representing the Department of Revenue (DOR). Section 18 creates a new business and occupation tax exemption. DOR may need REV to review a new rule implanting this exemption as well as making inquiries about the exemption. New legal services are nominal and costs are not included in this request.

3. The AGO Licensing & Administrative Law Division (LAL) has reviewed this bill and determined it will not significantly increase or decrease the division’s workload in representing Environmental and Land Use Hearings Office (ELUHO) or the Pollution Control Hearings Board (PCHB). New legal services are nominal and costs are not 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 Revolving Account	State	0	11,000	11,000	33,000	10,000
Total \$			0	11,000	11,000	33,000	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		8,000	8,000	23,000	6,000
B-Employee Benefits		2,000	2,000	7,000	2,000
E-Goods and Other Services		1,000	1,000	3,000	2,000
Total \$	0	11,000	11,000	33,000	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
Ecology Division (ECY)		11,000	11,000	33,000	10,000
Total \$		11,000	11,000	33,000	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

Bill Number: 2401 HB	Title: Refrigerant gases	Agency: 461-Department of Ecology
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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
Responsible Refrigerant Disposal Account-Non-Appropriated NEW-6					386,591
Total \$					386,591

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	3.0	1.5	3.1	2.1
Account					
Model Toxics Control Operating Account-State 23P-1	0	462,450	462,450	976,413	274,489
Responsible Refrigerant Disposal Account-Non-Appropriated NEW-6	0	0	0	0	386,591
Total \$	0	462,450	462,450	976,413	661,080

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:

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- 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: 01/16/2024
Agency Preparation: My-Hanh Mai	Phone: 360-742-6931	Date: 01/20/2024
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 01/20/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/21/2024

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, Ecology implements four extended producer responsibility programs for electronics, paint, photovoltaic modules, and mercury-containing lights.

State law prohibits the intentional venting of refrigerants while the existing statewide Refrigerant Management Program (RMP) covers only refrigeration and air conditioning equipment containing more than 50 pounds charge of refrigerant, without consideration of refrigerant management for equipment with less than this amount. The RMP includes registration, reporting, and recordkeeping requirements for wholesalers, distributors, and reclaimers of refrigerants with a global warming potential (GWP) of greater than 150, but not for fluorinated refrigerants with GWP below 150.

Under current law, significant sources of hydrofluorocarbons and refrigerant emissions in Washington remain unregulated because those quantities are contained in heating and cooling equipment beyond requirements covered by the existing statewide RMP.

This bill would establish the first extended producer responsibility program for bulk refrigerants and precharged equipment containing refrigerants. This bill would make producers responsible for the refrigerants they introduce to the marketplace and provide financial incentives to ensure collection targets can be met.

Section 3 would establish a requirement that producers of hydrofluorocarbons establish a program to register with Ecology through a refrigerant stewardship organization (RSO) by January 1, 2025. This section would also require that (1) producers must participate in a RSO by January 1, 2025, (2) by January 1, 2028 each producer must participate in an approved plan, (3) producers may not sell hydrofluorocarbons products if not registered with RSO beginning July 1, 2025, (4) producers may not sell hydrofluorocarbons products if not participating in an approved plan beginning July 1, 2028, (5) nonproducer participants must register with RSO by July 1, 2027 – they are not required to fund the RSO, but may receive the incentive payments and they must keep records for the RSO, and, (6) producers must implement the plan by January 1, 2029.

Section 4 would define the process for Stewardship Plan Components that Ecology would implement. Specifically, this section establishes that plans from the RSO would be due by July 1, 2028, and that Ecology would have 180 days to review and approve the plan. This section would encourage the use of fee modulation to incorporate incentives for recovery of refrigerants that prioritizes reclamation and reuse. Ecology would be able to amend the plan and require the RSO to implement the plan as amended, list circumstances for new plan submittal and require new plans no less than every five years.

Section 5 would establish performance measures for the RSO and Ecology to define progress of implementing the program. This section would require (1) RSO to set interim targets in plan (towards 2032 goal), (2) RSO to achieve a 70% recovery rate in 2032 and every year thereafter, (3) Ecology would review and be authorized to adjust targets in years beyond 2032, (4) Ecology would be able to define specific additional reporting requirements to aid calculations, and (5) Ecology would be required to publish an annual report assessing performance of RSO(s) by October 1, 2030 (and annually thereafter).

Section 6 would create a collection and management process to implement the RSO collection of all covered refrigerants under the procedures outlined in this bill. This section would declare that (1) no fee may be charged at time of collection, (2) an incentive must be paid to a service technician who recovers refrigerant, (3) convenience standards for bulk refrigerant are one per county unless granted a waiver, (4) who may serve as a collection site: distributors, wholesalers, retail that sells precharged equipment, LG or non-profits that operate SW facilities, (5) the program must manage consistent with federal standards or rules updated by the department, and (6) collection sites must comply with criteria or can be terminated.

Section 7 would define the required elements of an education and outreach program that an RSO must carry out to support plan implementation. Elements include but are not limited to (1) promotional activities in support of plan implementation (website, press releases, social media etc.), and (2) outreach materials to all collection sites and retailers who sell precharged equipment, targeted to service technicians. This section would also direct that during the first year of program and every five years thereafter, the RSO would be required to survey nonproducer participant awareness and share the results with Ecology. Ecology would be authorized to share the results of the RSO surveys with the public. This section also states that if multiple RSOs are implementing plans then those RSOs must coordinate public outreach and education responsibilities listed in this section and include a summary of those activities in their annual reports to Ecology.

Section 8 would outline the financial requirements of the RSO to implement this bill. The RSO would be required to ensure that adequate funding is available to implement the stewardship plan and aspects of the plan that address and/or establish (1) the collection, transport, and processing of recovered refrigerants, (2) education and outreach, (3) payments for services, (4) payment of administrative fees to Ecology, (5) development and implementation of an RSO fee collection system that uses a per-mass unit assessment model that are applied equally regardless of refrigerant containment, (6) sets rate of \$7 per pound when charging producers per pound in 2029 and provides criteria for how the rates may be adjusted in subsequent years, (7) beginning in 2031, the RSO may base the rate on a weighted methodology using global warming potential of each covered refrigerant, and, (8) use of eco-modulated fees to encourage the use of design attributes that reduce environmental impacts.

An RSO would be responsible for all costs of recovered covered refrigerant collection, transportation, processing, education, administration, and agency reimbursement in accordance with best environmental management practices. The RSO would not be authorized to reduce or cease collection, education, outreach, or other activities under an approved plan based on the achievement of performance goals defined under section 5 of this bill. An RSO would also be required to propose an incentive payment in plan and must demonstrate to Ecology that it is sufficient to meet criteria established under this act. The incentive payment may vary (type of refrigerant, purity etc.) and the RSO must reimburse demonstrable costs to collection sites. This section would also declare that the intent is not to incentivize refrigerant destruction and that on or after January 1, 2035, Ecology would be authorized to establish a rule to set an incentive for destruction. If multiple RSOs are registered in the state that they would be required to coordinate to ensure non-duplicated reporting of data and that different RSOs do not subsidize another RSO through overpayment of incentives.

Section 9 would define the role of retail establishments selling precharged refrigerant equipment to include that (1) retailers do not sell covered equipment after July 1, 2029 (precharged equipment) unless producer is participating in an RSO defined under this act, (2) the retailer would check a list posted on the Ecology website to confirm the equipment they are selling is compliant, (3) becoming a collection site is optional, and, (4) the retailer must provide consumer education materials regarding management and end-of-life management of refrigerant products. This section would prohibit retail establishments, refrigerant service providers, producers, or an RSO from charging a point-of-sale fee to consumers to cover administrative or operational costs of an RSO or the program.

Section 10 would establish reporting and recordkeeping requirements for RSOs, producers, and participants. This section would require (1) an RSO to submit an annual report to Ecology beginning June 1, 2030 and each June 1st thereafter, (2) listed elements under this section to be included in the annual report, (3) additional information determined by Ecology under rules adopted by Ecology, and, (4) on March, June, September and December 1st of each year that an RSO implements a program, the RSO must provide Ecology with lists of producers, brands, and models for posting via agency website. This section would also require nonproducer participants to keep records necessary for the RSO to comply with reporting requirements under section 5 of this act. The nonproducer would be required to report to the RSO by March 31, 2029 (and each year thereafter), keep records for a period of five years, include distributors and wholesalers' sales activity and require distributors and wholesalers include attestation by service technicians. Ecology may require submission of any records under this section at any time.

Section 11 would authorize the RSO to request that information or records be made available for the confidential use of

Ecology, the Director of Ecology, or the appropriate division of Ecology. The Director of Ecology must consider this request to ensure this action would not be detrimental to the public interest and ensure conformance with chapter 43.21A RCW before approving such a request from an RSO.

Section 12 would define the roles and responsibilities of Ecology under this act. Ecology would be required to implement, administer and enforce this chapter to include (1) adopting rules by December 31, 2027, (2) ensuring consistency with federal law and if federal definitions change, Ecology must notify the Legislature to request changes to the statute, (3) setting an annual fee by April 1, 2028 and annually thereafter, (4) address agency fees and process through adoption of rules, (5) review and approval of plans with 180 days, (6) making plans available for public review and comment for a minimum of 30 days, (7) amending insufficient plans and requiring an RSO to implement as amended, (8) reviewing and approving all annual reports within 120 days, (9) making all annual reports available for public review and comment for a minimum of 30 days, (10) granting infeasibility waivers consistent with section 6 of this act regarding the convenience standard, (11) creating and maintaining a website to include a list of producers, participants, brands and models of precharged equipment, and, (12) serving as a coordinating body should RSOs request Ecology to serve that function.

Section 13 would authorize Ecology to impose civil penalties or issue orders requiring compliance with this act. This section would establish penalties from \$1,000 to \$10,000 per violation per day to any person who violates this chapter, would require Ecology to issue warnings before issuing any penalties and direct that all penalties collected would be deposited into Climate Commitment Account (RCW 70A.65.260). Ecology would be authorized to revoke a plan and require an RSO to implement a contingency plan.

Section 14 would direct that producers and RSOs acting on behalf of producers that prepare, submit and implement a refrigerant stewardship plan pursuant to this chapter and are subject to regulation by Ecology are granted immunity from state laws relating to antitrust, restraint of trade, unfair trade practices and other regulation of trade or commerce for the limited purpose of planning, reporting and operating a stewardship program including (1) the creation, implementation or management of the RSO and any plan submitted, denied or approved, (2) the cost and structure of an RSO plan, and, (3) the types and quantities of covered refrigerants being recycled or otherwise managed pursuant to this chapter.

Section 15 would establish the Responsible Refrigerant Disposal Account in custody of the state treasurer. This section would direct that all receipts from section 12 of this act be deposited to the account and that expenditures from the account may only be used for administering, implementing, and enforcing the requirements of this chapter.

Section 16 would prohibit the RSO to use funds collected for purposes of implementing a plan required under this chapter for (1) the payment of an administrative penalty, (2) administrative appeals, (3) litigation between an RSO and the state, (4) compensation of a person primarily representing an RSO to influence legislation being considered by a government entity, and, (5) paid advertisements related to influencing legislation under consideration by the Legislature or was considered the previous session.

Section 18 would add a new section to chapter 82.04 RCW to exempt RSOs from business and occupation taxes and that this chapter does not apply to the tax requirements under RCW 82.32.805 and 82.32.808 and is not subject to an expiration date.

Section 20 would amend RCW 43.21B.300 to include civil penalties issued under section 13 of this act to be imposed by notice in writing by personal service or certified mail with return receipt requested. This section would also direct all penalties recovered to be credited to the Climate Commitment Account created in RCW 70A.65.260.

Section 21 would amend RCW 70A.65.260 to include receipt of penalties imposed under section 13 of this act into the Climate Commitment Account.

Section 23 would declare that if any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

The cash receipts impact to Ecology under this bill is greater than \$50,000 beginning in Fiscal Year (FY) 2029 and thereafter for section 12.

Fee Revenue – Responsible Refrigerant Disposal (RRD) Account

Section 12 (2) would require Ecology to determine the annual fee payment by April 1, 2028, and annually thereafter to implement, administer, and enforce the chapter established in the bill. Ecology would be required to adjust future billings based on the difference between fee revenue collected minus actual costs for the previous fiscal year.

Ecology assumes the first fee receipt collections would be for FY 2029 (billed in FY 2028). Ecology assumes one RSO would be subject to the annual payment to support Ecology's estimated costs. Fee revenue would be deposited in the RRD Account. For purposes of this fiscal note, revenue from fee collections is shown in the same year as estimated costs in the RRD Account and is assumed to be equal to estimated costs.

Estimated RRDA Revenue:
FY 2029: \$386,591

Penalties

Section 13 would authorize civil penalties for non-compliance. Ecology would be required to provide written warning as specified in the section before assessing a penalty. Penalties would be deposited in the Climate Commitment Account.

Ecology would work with the RSOs and producers, when applicable, to bring them into compliance; Penalties are assumed to be limited, but unknown, and therefore are not estimated in this fiscal note.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The expenditure impact to Ecology under this bill is estimated to be greater than \$50,000 in Fiscal Year 2025 and ongoing to implement the requirements of sections 2-6, 8, and 10-13.

Costs in FY 2025 through FY 2028 are estimated in the MTCA-Operating Account. MTCA supports the state's responsibility for solid waste management, regulation, enforcement, technical assistance, and public education under chapter 70A.205 RCW. Ecology assumes expenditures in the Responsible Refrigerant Disposal (RRD) Account would begin in FY 2029 and ongoing each fiscal year thereafter.

STEWARDSHIP PLAN REVIEW & APPROVAL (Sections 4, 11, and 12)

Section 4 would require each refrigerant stewardship organization (RSO) to submit a plan to Ecology by July 1, 2028. Ecology would have 180 days to review the plan to ensure it adequately addresses the required components as outlined in the bill. Ecology assumes one RSO would submit a plan on behalf of both bulk refrigerant producers and precharged equipment producers. Ecology assumes the RSO to request portions of their plan be protected as confidential business information. Ecology assumes that the initial stewardship plan will be approved and that amendment by Ecology would not be required.

Based on experience implementing the other stewardship programs, Ecology assumes one plan would be reviewed in FY 2029, and every five years thereafter, and that each plan review would require the same level of effort. Ecology estimates that 0.20 FTE Environmental Planner 4 (EP-4) in FY 2029 (and every five years thereafter) would review the stewardship plan and facilitate the process for confidentiality requests.

Section 6 would allow RSOs to submit an infeasibility waiver if they are unable to meet the convenience standard prescribed in the law. It is unlikely that the RSO would be able to establish a refrigerant collection site in all thirty-nine counties of the state, so Ecology assumes the RSO would submit an infeasibility waiver with their initial stewardship plan. Ecology estimates 0.10 FTE Environmental Planner 4 in FY 2029 (and every five years thereafter) would need to review and approve this infeasibility waiver.

All plans received would need to be posted for public review and comment. Ecology estimates 0.03 FTE EP-4 and 0.03 FTE Communications Consultant 3 (CC-3) in FY 2029 (and every five years thereafter) to post the plan for public comment and respond to comments received.

ANNUAL FEES (Section 12)

Section 12 would require Ecology to determine the annual fee payment by April 1, 2028, and annually thereafter to implement, administer, and enforce the chapter established in the bill. Ecology would be required to adjust future billings based on the balance of available fee revenue relative to actual expenditures. To determine the annual fee and invoice for payment, Ecology estimates 0.05 FTE Budget Analyst 4 (BA-4) and 0.01 FTE Environmental Planner 4 (EP-4) in FY 2028, and 0.02 FTE BA-4 and 0.01 EP-4 each year in FY 2029 and ongoing.

EDUCATION & OUTREACH (Section 12)

Section 12 would require Ecology to create and maintain a website related to this program, and post and maintain a list of producers, brands and models covered by an approved refrigerant stewardship plan. This information would be reported to Ecology and updated on the website on a quarterly basis. Ecology estimates 0.10 FTE Communications Consultant 3 (CC-3) in FY 2025 to create the new website, and 0.05 FTE CC-3 in FY 2026 and ongoing each fiscal year thereafter to maintain and update the website.

ANNUAL REPORT REVIEW & APPROVAL AND ECOLOGY REPORT (Sections 2, 5, 10, 11, and 12)

Section 10 would require each RSO to submit an annual report to Ecology by June 1, 2030, and annually thereafter. Section 12 would require Ecology to post annual reports for public comment and review them within 120 days. Ecology assumes one annual report would be submitted by the RSO by June 1, 2030. Based on the report requirements in section 10, Ecology assumes the annual report review would require considerable analysis. Ecology assumes the RSO would request confidentiality for parts of their annual report.

Part of the annual report review process would entail measuring whether the RSO has met refrigerant recovery targets identified in their plan. As part of the definition of “recovery rate” in Section 2, the bill would require Ecology to determine the estimated total amount of covered refrigerant that is available for recovery from equipment in a given year. The way “recovery rate” is defined, there is no practical way for Ecology to make the necessary determination and calculation. The amount of refrigerant available for recovery is not available. Therefore, the cost for this task is indeterminate.

Ecology estimates 0.16 FTE Environmental Planner 4 (EP-4) beginning in FY 2029 and ongoing each fiscal year thereafter would be required to review these reports and facilitate the process for confidentiality requests.

All reports received would need to be posted for public review and comment. Ecology also estimates 0.03 FTE EP-4 and 0.03 FTE Communications Consultant 3 (CC-3) in FY 2029 and ongoing each fiscal year thereafter to post the plan for public comment and respond to comments received.

Section 7 would require the RSO to conduct an awareness survey during the first year of implementation and every five years thereafter. Ecology assumes the results of the first awareness survey would be submitted with the first annual report. Ecology would review the awareness survey results submitted by the RSOs beginning with the first annual report submittal in FY 2030. Ecology estimates 0.02 FTE Environmental Planner 4 (EP-4) in FY 2030 and every five years thereafter to review the public awareness survey results.

Section 5 would require Ecology to publish an annual report assessing the performance of the RSO and the program by October 1, 2030, and annually thereafter. Ecology assumes this report would be based on information provided by the RSO in their annual report (submitted June 1, 2030). Ecology assumes 0.10 FTE Environmental Planner 4 (EP-4) would begin work on Ecology's report in FY 2030, but work would ramp up and continue in FY 2031, and annually thereafter.

TECHNICAL ASSISTANCE, GENERAL OVERSIGHT, AND PRODUCER REGISTRATION

Based on experience implementing other extended producer responsibility programs, Ecology assumes technical assistance would be requested by stewardship organizations, local governments with programs that collect precharged equipment, refrigeration technicians and other precharged equipment service providers, refrigerant and precharged equipment producers, precharged equipment retailers, refrigerant wholesalers and distributors, hazardous waste companies, refrigerant reclaimers, and the general public. Ecology assumes technical assistance would begin immediately and the level of effort would increase as rulemaking progresses.

Ecology estimates 0.26 FTE Environmental Planner 4 (EP-4) in FY 2025, increasing to 0.50 FTE in FY 2026 and ongoing each fiscal year thereafter.

Hazardous Waste and Toxics Reduction technical assistance would be needed to develop guidance for businesses regulated under the state dangerous waste regulations, WAC 173-303. Stewardship organizations and their collectors, transporters and processors would also need technical assistance related to regulations developed for this program and WAC 173-303. Ecology estimates 0.10 FTE Regulatory Analyst 3 (RA-3) beginning in FY 2025 through FY 2027, increasing to 0.30 FTE RA-3 just prior to and during the first year of program implementation in FY 2028 and FY 2029, and leveling off to 0.20 FTE RA-3 in FY 2030 and ongoing each fiscal thereafter.

Climate Pollution Reduction (CPR) technical assistance would be needed to ensure CPR statute and federal requirements are followed during ongoing implementation and assist in reviewing annual reports to evaluate refrigerant recovery metrics, and compliance other state rules. Ecology estimates 0.20 FTE Environmental Planner 5 (EP-5) in FY 2025 through FY 2027, increasing to 0.50 FTE EP-5 just prior to and during the first year of program implementation in FY 2028 and FY 2029, and leveling off to 0.20 FTE EP-5 in FY 2030 and ongoing each fiscal year thereafter.

Section 3 would require each bulk refrigerant producer and each precharged equipment producer to register with Ecology via a RSO by January 1, 2025. Ecology assumes one RSO would register on behalf of both groups of producers. Since only one RSO is anticipated, Ecology does not expect to develop an information technology system to process registrations. Instead, Ecology assumes registrations to be conducted via email correspondence.

Based on experience implementing other stewardship programs, Ecology estimates 0.01 FTE Environmental Planner (EP-4) in FY 2025 would handle registration activities.

COMPLIANCE & ENFORCEMENT (Section 13)

Section 13 would authorize Ecology to issue an order requiring compliance or impose a civil penalty of up to \$1,000 per violation per day or up to \$10,000 per violation per day to a person for repeated violations or failure to comply with an issued order. Ecology would issue warning letters and provide technical assistance to support compliance before taking enforcement action. We assume producers, refrigerant stewardship organizations, and retailers, would be mostly compliant

and estimate issuing two warning letters per year. Ecology assumes developing enforcement guidance would be necessary.

Ecology estimates 0.10 FTE Environmental Planner 4 (EP-4) in FY 2028 to develop an enforcement guidance document.

Ecology assumes there would be compliance monitoring in FY 2025 to ensure RSOs and producers are properly registered, and that routine compliance work would begin in FY 2029. Based on experience implementing other stewardship programs, Ecology assumes site visits to collection sites or processors. Ecology estimates 0.01 FTE Environmental Planner 4 (EP-4) in FY 2025 and then 0.20 FTE Environmental Planner 4 beginning in FY 2029 and ongoing each fiscal year thereafter.

RULEMAKING (Sections 6, 8, 10 and 12)

Section 12 would require Ecology to adopt rules as necessary for the purpose of implementing, administering, and enforcing the chapter, including setting the agency's fees. In addition to section 12, rulemaking is specifically called out in section 6 (Ecology must update WAC 173-443-205 to maintain consistency with any changes in federal regulations), section 8 (Ecology may by rule, set an incentive for destruction of covered refrigerants), and section 10 (Ecology may require additional information in annual reports).

Ecology assumes rulemaking would be required to provide additional clarity and guidance to refrigerant stewardship organizations developing programs. Other topics that might be addressed in rule include further clarifying: responsible producers, plan requirements, interim performance targets, an infeasibility waiver process, calculations for recovery rates, and review processes for producer fee rates and incentives payment amounts. Ecology assumes we would perform an Environmental Justice (EJ) Assessment in FY 2025 as required under the HEAL Act, Chapter 70A.02 RCW.

Based on previous experiences implementing other product stewardship programs, Ecology assumes a two-year highly technical rule-making process would be required. Ecology assumes rulemaking would begin January 1, 2025 (FY 2025) and be completed with rule adoption December 31, 2026 (FY 2027).

Ecology assumes three public meetings when developing draft rule language with a webinar option, and three public hearings for the proposed rule language.

Rulemaking Administrative Coordinator: A Regulatory Analyst 3 (RA-3) would oversee the rulemaking process to comply with the Administrative Procedures Act; coordinate with the rulemaking lead to prepare the rule development and communication plan; coordinate with the agency regulatory staff on the economic and regulatory impact analysis, and support filing the CR-101, CR-102, and the CR-103 for adoption. This would require an estimated workload of 0.10 FTE RA-3 in FY 2025, 0.13 FTE RA3 in FY 2026, and 0.10 FTE RA-3 in FY 2027.

Rulemaking Lead: An Environmental Planner 4 (EP4) would provide policy expertise and lead the rulemaking effort, coordinating with interested parties to draft and revise rule language, lead public meetings and hearings, and work with other program staff as needed to execute the rule development plan and perform an EJ assessment, with an estimated workload of 0.70 FTE EP-4 in FY 2025, 0.94 FTE EP-4 in FY 2026, and 0.23 FTE EP-4 in FY 2027.

A subject matter expert from the Solid Waste Management Program would advise on the technical aspects of extended producer responsibility and appliance management. This is estimated to require 0.30 FTE Environmental Specialist 5 (ES-5) in FY 2025, 0.40 FTE ES-5 in FY 2026, and 0.10 FTE ES-5 in FY 2027.

A subject matter expert from the Hazardous Waste and Toxics Reduction program would advise on application of the state's dangerous waste regulation WAC 173-303 specifically the handling of refrigerant materials collected. This is estimated to require 0.19 FTE Regulatory Analyst 3 (RA-3) in FY 2025, 0.31 FTE RA-3 in FY 2026, and 0.06 FTE RA-3 in FY 2027.

A subject matter expert from the Climate Pollution Reduction program would advise on application of the Washington Clean Air Act (Chapter 70A.15 RCW) and Chapter 70A.60 RCW regarding hydrofluorocarbons emissions reduction to refrigerant collection. This is estimated to require 0.30 FTE Environmental Planner 5 (EP-5) in FY 2025, 0.40 FTE EP-5 in FY 2026, and 0.10 FTE EP-5 in FY 2027.

Based on previous rulemaking experience and the magnitude of interested parties and affected stakeholders, communications and outreach support are included to ensure robust public engagement in the rulemaking process. The following positions would support public engagement:

A Communications lead would coordinate an outreach strategy and media engagement. This would require 0.10 FTE Communications Consultant 5 (CC-5) in FY 2025, 0.13 FTE CC-5 in FY 2026, and 0.03 FTE CC-5 in FY 2027.

A Website developer would coordinate with the rulemaking lead on a public website for the rulemaking process. This would require 0.10 FTE Communications Consultant 3 (CC-3) in FY 2025, 0.13 FTE CC-3 in FY 2026, and 0.03 FTE CC-3 in FY 2027.

An outreach coordinator would organize public meetings, prepare informational materials, and respond to stakeholder questions throughout the rulemaking process. This would require 0.10 FTE Community Outreach & Environmental Education Specialist 3 (COEES-3) in FY 2025, 0.13 FTE COEES-3 in FY 2026, and 0.03 FTE COEES-3 in FY 2027.

The following positions would complete an economic and regulatory analysis of the rule: Economic Analyst 3, 0.25 FTE in FY 2027; Regulatory Analyst 2, 0.10 FTE in FY 2027.

Ecology would hold two meetings in FY 2026 to gather input from stakeholders and develop the Environmental Justice Assessment, and one meeting and three hearings in FY 2027 to accept comments on the rule proposal. Goods and services estimates include facility rental costs estimated at \$1,000 per meeting for a total of \$2,000 in FY 2026 and \$4,000 in FY 2027.

ATTORNEY GENERAL LEGAL SUPPORT

Sec. 12(1) would require Ecology to adopt rules as necessary to implement, administer, and enforce the requirements of the bill. We assume this rulemaking would be highly technical and legally complex and take two years to complete. The rule would need to establish procedures and criteria for the review, approval, and revision of refrigerant stewardship plans in section 4 and for the issuance of infeasibility waivers in section 12(5) in addition to provisions regarding fees in section 12(2), reporting in sections 5(4), 10, and 13(2)(d), and enforcement in section 13. We assume substantial legal advice would be needed throughout the rulemaking process to ensure consistency with existing state and federal laws as well as new federal rules that are currently in the proposal phase. For example, the rule would need to harmonize the confidentiality provisions of section 11 with federal law that prohibits states from making “emissions data” confidential. In addition, this rulemaking may need to amend a provision of Ecology’s existing HFC rule, WAC 173-443-205, in order to maintain consistency with updated federal regulations as provided in section 6(4).

AGO support is estimated at 0.04 AAG FTE for a total of \$12,000 in FY 2025, 0.08 AAG FTE for a total of \$24,000 in FY 2026, and 0.04 AAG FTE for a total of \$12,000 in FY 2027.

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

Program Oversight is estimated to require:

FY 2025: \$119,753 and 0.8 FTEs

FY 2026: \$151,809 and 1.0 FTEs

FY 2027: \$151,809 and 1.0 FTEs

FY 2028: \$274,489 and 1.7 FTEs
 FY 2029: \$386,591 and 2.5 FTEs.

Rulemaking & AGO support is estimated to require:

FY 2025: \$342,697 and 2.2 FTEs
 FY 2026: \$476,494 and 3.0 FTEs
 FY 2027: \$196,301 and 1.2 FTEs.

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

FY 2025: \$462,450 and 3.0 FTEs
 FY 2026: \$628,303 and 3.9 FTEs
 FY 2027: \$348,110 and 2.2 FTEs
 FY 2028: \$274,489 and 1.7 FTEs
 FY 2029: \$386,591 and 2.5 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. \$12,000 in FY 2025, \$24,000 in FY 2026 and \$12,000 in FY 2027 is included for AGO support.

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	462,450	462,450	976,413	274,489
NEW-6	Responsible Refrigerant Disposal Account	Non-Appropriated	0	0	0	0	386,591
Total \$			0	462,450	462,450	976,413	661,080

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		3.0	1.5	3.1	2.1
A-Salaries and Wages		244,700	244,700	507,776	359,679
B-Employee Benefits		83,442	83,442	173,154	122,651
E-Goods and Other Services		27,543	27,543	74,053	22,193
G-Travel		5,671	5,671	11,691	8,095
J-Capital Outlays		3,307	3,307	6,818	4,722
9-Agency Administrative Overhead		97,787	97,787	202,921	143,740
Total \$	0	462,450	462,450	976,413	661,080

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
BUDGET ANALYST 4	91,073					0.0
COM OUTRCH & ENV ED SP 3	67,717		0.1	0.1	0.1	
COMM CONSULTANT 3	71,149		0.2	0.1	0.1	0.1
COMM CONSULTANT 5	93,349		0.1	0.1	0.1	
ECONOMIC ANALYST 3	95,627				0.1	
ENVIRONMENTAL PLANNER 4	95,650		1.0	0.5	1.1	0.9
ENVIRONMENTAL PLANNER 5	105,612		0.5	0.3	0.5	0.5
ENVIRONMENTAL SPEC 5	95,387		0.3	0.2	0.3	
FISCAL ANALYST 2			0.3	0.1	0.3	0.2
IT APP DEV-JOURNEY			0.1	0.1	0.1	0.1
REGULATORY ANALYST 2	88,798				0.1	
REGULATORY ANALYST 3	100,521		0.4	0.2	0.4	0.3
Total FTEs			3.0	1.5	3.1	2.1

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 12 would require Ecology to adopt rules as necessary for the purpose of implementing, administering, and enforcing the chapter, including setting the agency's fees.

Ecology assumes a two-year highly technical rule-making process would be required. Ecology assumes rulemaking would begin January 1, 2025 (FY 2025) and be completed with rule adoption December 30, 2026 (FY 2027).

Individual State Agency Fiscal Note

Bill Number: 2401 HB	Title: Refrigerant gases	Agency: 468-Environmental and Land Use Hearings Office
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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	0.0	0.0	0.3	0.3
Account					
General Fund-State 001-1	0	0	0	81,240	79,844
Total \$	0	0	0	81,240	79,844

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: 01/16/2024
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 01/19/2024
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 01/19/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/21/2024

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 establishes a program for reducing refrigerants and setting forth registration, reporting, and fee requirements as well as penalties for noncompliance. The bill aims to reduce refrigerants by achieving a 70% annual recovery rate by 2032 and each year thereafter. Registration, fees, and reporting start earlier. Ecology is given authority to issue penalties/orders for violations.

Sec. 3 – Jan 1, 2025, producers of refrigerants must register with the Ecology. Jan 1, 2028, producers must be in an approved stewardship organization. July 1, 2027, resellers/distributors must register with the stewardship organization. Jan 1, 2029, producers must implement approved plans.

Sec. 4 – July 1, 2028, stewardship organizations must submit a plan to Ecology.

Sec. 5 – Requires stewardship organizations to set annual performance targets.

Sec. 10 – Jun 1, 2030, stewardship organizations must start submitting annual reports of the previous year. Mar 31, 2029, distributors and wholesalers must report.

Sec. 11 – Protection of confidential/business sensitive information

Sec. 12 – Ecology shall adopt rules to implement, administer, and enforce this chapter.

Sec. 13 – Ecology may impose civil penalties and may issue orders. The Pollution Control Hearings Board (PCHB) has appeal authority over penalties and orders.

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.

ELUHO estimates 2 average complexity appeals per year beginning FY26 until Jan 2034 resulting from this bill, following rules development and enforcement. Beginning January 2034, ELUHO estimates 6 average complexity appeals per year following the reporting of 2032 progress to targets.

ELUHO estimates each appeal resulting from this bill will require approximately 230 hours of Administrative Appeals Judge (AAJ) work to complete (110 pre-hearing hours + 120 hearing and post-hearing hours) x 2 appeals beginning in FY26, ongoing to Jan 2034.

230 hours/appeal x 2 appeals = 460 AAJ hours in FY26, ongoing to Jan 2034.

230 hours/appeal x 6 appeals = 1,380 AAJ hours beginning Jan 2034, ongoing.

Assume New AAJ FTE: The PCHB will need approximately 0.25 FTE in FY26, ongoing until Jan 2034 and 0.5 AAJ FTE beginning in Jan 2034, ongoing. The AAJ will have knowledge of environmental law to assist with these new cases, based on the estimated number of AAJ hours per year. RCW 43.21B.005(2) authorizes the ELUHO director to appoint such AAJs to assist the PCHB. The AAJ FTE will not serve as a member of the Boards, but will conduct legal research and writing, preside over cases, mediate cases, draft Board materials, and perform other legal duties to assist the Board.

Beginning in FY25 an AAJ will make \$117,840 per year, plus related benefits estimated at \$34,945 per year, at projected benefits rates. The agency needs 0.25 FTE AAJs in FY26, so the salary would be \$117,840 x .25 FTE = \$29,460, per FY, in FY26 until Jan 2034. Related benefits would total \$8,736, beginning FY26 until Jan 2034.

Beginning January 2034, 0.5 AAJ FTE is needed so the salary would be \$117,840 x .5 FTE = \$58,920, per FY, ongoing. Related benefits would total \$17,472, per FY, ongoing.

Goods and services for the total 0.25 FTE are estimated at \$1,360 per year in FY26, ongoing until Jan 2034. Goods and services would increase to \$2,720 per year beginning in Jan 2034, ongoing. Goods and services include communications, payroll processing, training, and other staff costs. Estimates include some travel at the low cost per diem rates totaling \$366 per year. Also included is one time equipment costs for furniture and computers totaling \$1,396 in FY26.

Assume office space needed: Currently, ELUHO leases space on the top floor of the State Parks building, Parsons Plaza, with lease expiring in FY26. We assume the ELUHO office will move to a state-owned facility and offices will be needed for the additional 0.25 and then 0.5 AAJ FTE.

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	0	0	81,240	79,844
Total \$			0	0	0	81,240	79,844

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years				0.3	0.3
A-Salaries and Wages				58,920	58,920
B-Employee Benefits				17,472	17,472
C-Professional Service Contracts					
E-Goods and Other Services				2,720	2,720
G-Travel				732	732
J-Capital Outlays				1,396	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	0	0	81,240	79,844

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 Appeals Judge	117,840				0.3	0.3
Total FTEs					0.3	0.3

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.



Multiple Agency Ten-Year Analysis Summary

Bill Number 2401 HB	Title Refrigerant gases
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This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

Estimated Cash Receipts

	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031	Fiscal Year 2032	Fiscal Year 2033	2024-33 TOTAL
Office of Attorney General	0	0	0	0	0	0	0	0	0	0	0
Department of Ecology	0	0	0	0	0	386,591	277,640	277,640	277,640	277,640	1,497,151
Environmental and Land Use Hearings Office	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	386,591	277,640	277,640	277,640	277,640	1,497,151



Ten-Year Analysis

Bill Number 2401 HB	Title Refrigerant gases	Agency 100 Office of Attorney General
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code												
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Agency Preparation: Amy Flanigan	Phone: 509-456-3123	Date: 1/23/2024 2:27:13 pm
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 1/23/2024 2:27:13 pm
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 1/21/2024 11:41:33 pm



Ten-Year Analysis

Bill Number 2401 HB	Title Refrigerant gases	Agency 461 Department of Ecology
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Estimated Cash Receipts

Name of Tax or Fee	Acct Code	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031	Fiscal Year 2032	Fiscal Year 2033	2024-33 TOTAL
Responsible Refrigerant Disposal Fee	NEW						386,591	277,640	277,640	277,640	277,640	1,497,151
Total							386,591	277,640	277,640	277,640	277,640	1,497,151
Biennial Totals							386,591	555,280	555,280	555,280	1,497,151	

Narrative Explanation (Required for Indeterminate Cash Receipts)

Fee Revenue – Responsible Refrigerant Disposal (RRD) Account

Section 12 (2) would require Ecology to determine the annual fee payment by April 1, 2028, and annually thereafter to implement, administer, and enforce the chapter established in the bill. Ecology would be required to adjust future billings based on the difference between fee revenue collected minus actual costs for the previous fiscal year.

Ecology assumes the first fee receipt collections would be for FY 2029 (billed in FY 2028). Ecology assumes one RSO would be subject to the annual payment to support Ecology’s estimated costs. Fee revenue would be deposited in the RRD Account. For purposes of this analysis, revenue from fee collections is shown in the same year as estimated costs in the RRD Account and is assumed to be equal to estimated costs.

Estimated RRDA Revenue:
 FY 2029: \$386,591
 FY 2030: \$277,640 each year through FY 2033.



Ten-Year Analysis

Bill Number 2401 HB	Title Refrigerant gases	Agency 461 Department of Ecology
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Agency Preparation: My-Hanh Mai	Phone: 360-742-6931	Date: 1/20/2024 2:42:20 pm
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 1/20/2024 2:42:20 pm
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 1/21/2024 11:41:33 pm



Ten-Year Analysis

Bill Number 2401 HB	Title Refrigerant gases	Agency 468 Environmental and Land Use Hearings Office
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts **Partially Indeterminate Cash Receipts** **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code												
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Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 1/19/2024 10:56:12 am
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 1/19/2024 10:56:12 am
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 1/21/2024 11:41:33 pm