

# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 5972 SB	<b>Title:</b> Neonicotinoid pesticides	<b>Agency:</b> 495-Department of Agriculture
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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
Agricultural Local Account-Non-Appropriated 126-6		(50,700)	(50,700)	(101,400)	(101,400)
<b>Total \$</b>		(50,700)	(50,700)	(101,400)	(101,400)

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

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	2.5	1.3	2.8	1.8
<b>Account</b>					
All Other Funds-State 000-1	0	378,770	378,770	809,090	527,740
<b>Total \$</b>	0	378,770	378,770	809,090	527,740

### Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

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## Part II: Narrative Explanation

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

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

Under current law, Washington State Department of Agriculture (WSDA) is responsible for enforcing pesticide regulations. The proposed legislation would establish restrictions on the use of certain pesticides.

Section 2 (1) would restrict the use of neonicotinoid pesticides on outdoor plants in Washington State, except on non-blossoming plants during the production of an agricultural commodity, beginning January 1, 2026.

Section 2 (2) would require neonicotinoid pesticides be designated as state restricted use pesticides if the pesticide label contains a section with the heading "agricultural use requirements" or "nonagricultural use requirements."

Section 2 (3) would allow the Director of WSDA to authorize sale, possession, or use of neonicotinoid pesticides by written order, in the event of an urgent pest threat, and specifies the required contents of the written order.

Section 2 (5) would require WSDA to review and update rules under RCW 15.58.040 by June 30, 2025, and every four years thereafter, to administer and enforce the provisions of the new chapter created in the proposed legislation.

### 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.*

Under current law, WSDA charges a fee for registration of pesticides, and the revenue from the fee is deposited in the Agricultural Local Account.

WSDA assumes a loss of registration fee revenue would occur from the restriction of neonicotinoid pesticides in section 2 (1).

Washington State currently has 15,600 pesticide products registered. At this time, the number of neonicotinoid pesticides impacted by the proposed legislation is unknown and cash receipts impact is indeterminate.

For purposes of this fiscal note, WSDA assumes 1% of pesticides registered in Washington (156 pesticide products) would be impacted by the restriction. Registration fees are \$325 per year per product, but most pesticides are registered every two years. Based on the timing of registration, and the two-year cycle for registration, WSDA estimates cash receipt impacts to begin January 2025 for the restrictions taking place the following calendar year. The estimated revenue lost is \$50,700 per year (\$325.00 per annual registration x 156 estimated products no longer registered), beginning in fiscal year 2025.

### 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 Washington State Department of Agriculture (WSDA) is estimated to be greater than \$50,000 in fiscal years (FYs) 2025 through 2029. Costs are assumed to be in the Model Toxics Control Account-Operating, which is the standard appropriated account used for WSDA's pesticide management activities under current law.

Section 2 (1): Restrictions effective January 1, 2026

The restriction of neonicotinoid pesticides would require outreach and communication to inform homeowners, retailers, and

others who may currently use or distribute the pesticides restricted under this section on January 1, 2026.

WSDA estimates 1.0 FTE Community Outreach and Environmental Education Specialist 3 would be needed for four years, beginning in FY 2025 to ensure the public is informed of the restriction and support compliance when the restriction goes into effect. Travel costs for this position are estimated to be \$3,540 in fiscal year 2025, and \$1,770 each year from fiscal year 2026 through fiscal year 2028.

WSDA assumes a need for compliance monitoring and enforcement of the pesticide use restriction on outdoor plants in Washington. Many neonicotinoid pesticides are currently for use on “non-blossoming” plants in ornamental settings. The prohibition of use on ornamental plants may require monitoring of applications in landscape settings. In addition to workload for monitoring compliance, WSDA assumes an increase in the number complaints from the public requiring investigation for potential enforcement.

Based on the assumptions above, WSDA estimates 1.0 FTE Pesticide Regulatory Specialist 2 (PRS2) ongoing, beginning January 1, 2026, to monitor landscape applications and provide complaint investigation and response, and provide technical assistance and enforcement as needed. This position would require a vehicle and travel statewide. Estimated travel costs are \$4,600 in fiscal year 2026, and \$9,200 each year in fiscal year 2027 and ongoing each fiscal year thereafter.

Section 2 (2): Pesticide Registration

WSDA assumes the need for detailed evaluation of all registered neonicotinoid pesticides, determining if those pesticides would have a legal use in the state of Washington, determining which pesticides would qualify as State Restricted Use Pesticides (SRUP), and updating each individual pesticide in the database with the new restriction. In addition, the new SRUP entry in the Pesticide Registration Database would require a contracted Information Technology (IT) developer to write, test, and create new coding for the database.

WSDA staff would be needed for communication, notification to registrants, and processing of product cancellations, administrative hearings and registration changes for products that may no longer be used in the State of Washington due to these new restrictions.

Beginning in FY 2025, WSDA would need 0.5 FTE PRS2 for four years to manage non-SRUP label review and cancellation processing, and an additional 1.0 FTE PRS2 for two years to review for SRUP pesticides and update database entries.

An estimate of \$1,500 is included in Object E for contracted IT adjustments to make a new SRUP designation in the pesticide registration database.

In addition, by June 30, 2025, and every four years thereafter, WSDA would be required to review and update rules under RCW 15.58.040 as needed to administer and enforce this chapter as those rules relate to neonicotinoid pesticides.

WSDA assumes minimal, technical updates to rules may be needed to align with the requirements of the proposed legislation. The estimated cost for initial rulemaking is \$4,000 and is included in Object E in fiscal year 2025. The cost includes staff time to research and develop proposed rules and costs for facilities for hearing. WSDA assumes rule updates would be technical in nature and not require additional resources.

The total estimated fiscal impact of the proposed legislation is as follows:

- FY 2024: \$0 and 0.00 FTE
- FY 2025: \$378,770 and 2.50 FTE
- FY 2026: \$441,650 and 3.00 FTE
- FY 2027: \$367,440 and 2.50 FTE
- FY 2028: \$367,440 and 2.50 FTE

FY 2029 and ongoing: \$160,300 and 1.00 FTE

Summary of cost assumptions by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are calculated based on current standard statewide benefit rates.

Goods and Services are the agency average of \$8,600 per direct program FTE. Goods and Services also include building lease costs, estimated at \$3,800 per FTE per year, professional development costs estimated at \$500 per FTE per year, and personnel services charges, estimated to be 0.347% of salaries. This object also includes \$4,000 for simple rulemaking costs, and \$1,500 for pesticide registration database updates in fiscal year 2025.

Travel costs are estimated to be \$3,540 in fiscal year (FY) 2025, \$6,370 in FY 2026, \$10,970 each year in FYs 2027 and 2028, and \$9,200 in FY 2029 and ongoing each fiscal year thereafter.

Equipment includes workstation set-up costs of \$5,000 for each position, estimated to be \$15,000 in fiscal year 2025, and \$5,000 in fiscal year 2026.

Agency Administrative Overhead is calculated based on a rate of 24.6% of direct program salaries and benefits.

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
000-1	All Other Funds	State	0	378,770	378,770	809,090	527,740
<b>Total \$</b>			0	378,770	378,770	809,090	527,740

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		2.5	1.3	2.8	1.8
A-Salaries and Wages		188,420	188,420	417,070	268,880
B-Employee Benefits		69,870	69,870	156,260	101,500
C-Professional Service Contracts					
E-Goods and Other Services		38,400	38,400	72,390	46,080
G-Travel		3,540	3,540	17,340	20,170
J-Capital Outlays		15,000	15,000	5,000	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-9 - Agency Overhead		63,540	63,540	141,030	91,110
<b>Total \$</b>	0	378,770	378,770	809,090	527,740

**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
COMMUNITY OUTREACH & ENVIRO ED SPEC 3	67,720		1.0	0.5	1.0	0.5
PESTICIDE REGULATORY SPECIALIST 2	80,464		1.5	0.8	1.8	1.3
<b>Total FTEs</b>			2.5	1.3	2.8	1.8

**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 2 would require WSDA to review and update rules, as needed, by June 30, 2025, and every four years thereafter, for alignment with the provisions of this chapter.