

Individual State Agency Fiscal Note

Bill Number: 5150 2E S SB	Title: Beef commission	Agency: 495-Department of Agriculture
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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.

Legislative Contact:	Phone:	Date: 01/23/2024
Agency Preparation: Brennan Kimbel	Phone: 360-688-0893	Date: 01/26/2024
Agency Approval: Nicholas Johnson	Phone: (360) 902-2055	Date: 01/26/2024
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 01/29/2024

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:

Increases the beef assessment up to \$2.50 head on all Washington cattle sold in this state or elsewhere to be paid by seller at the time of sale. Beginning July 1, 2024 the assessment must be \$1.50 per head. Beginning January 1, 2025 the assessment must be \$2.00 per head. Beginning January 1, 2026 the assessment must be \$2.50 per head.

Workload that has revenue or expenditure impact: The Washington State Department of Agriculture (WSDA) Livestock Identification Program collects the assessment if the sale of cattle is accompanied by a brand inspection or electronic change of ownership. The Program then remits the assessments collected to the Washington State Beef Commission. The Program uses an electronic system called eLID when conducting brand inspections and offers an online change of ownership system for producers called ECTR (Electronic Cattle Transaction Reporting). The program estimates that it will take an IT Developer one hour (\$93.00) to implement the assessment change in these two applications every year the fee changes. The program also uses an electronic account billing program and estimates that it will take the vendor 3 hours (\$110 per hour, \$330 total), one time for the fee changes to reflect in the system.

Expenditure Detail – 2024 one-time cost \$423.00 (\$93.00 plus \$330), 2025 one- time cost \$93.00, 2026 one- time cost \$93.00 – WSDA can absorb.

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.

5150 2ES SB Section 1 amends 16.67.120 and increases the state Beef Commission's levied beef assessment from \$1.00 to \$1.50 per head beginning July 1, 2024, increases again beginning January 1, 2025 to \$2.00 per head and increases one more time beginning January 1, 2026 to \$2.50 per head on all Washington cattle sold in state or elsewhere to be paid by the seller at the time of sale.

WSDA's Livestock ID program (LID) collects approximately 31% of the Beef Commissions livestock state assessments and 100% of those assessment funds WSDA collects on behalf of the Beef Commission are passed through to them. WSDA will not realize any new or changes to existing revenues as a result of the fee increased proposed in this bill. Cash receipt impact estimates in this note are based on the increase in state assessment amounts WSDA would expect to collect on behalf of the Beef Commission and pass through to them if the bill passes.

The estimate is calculated as follows:

- Average of the previous 3 year period (2021-2023) = \$279,697
- Multiplied by \$0.50 for 1st Increase – \$139,848
- Multiplied by \$1.00 for the 2nd Increase - \$279,697
- Multiplied by \$1.50 for the 3rd Increase - \$419,545

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 WSDA Livestock ID Program uses an electronic system called eLID when conducting brand inspections and offers an online change of ownership system for producers called ECTR (Electronic Cattle Transaction Reporting). The program estimates that it will take an IT Developer one hour (\$93.00) to implement the assessment change in these two applications every year the fee changes. The program also uses an electronic account billing program and estimates that it will take the

vendor 3 hours (\$110 per hour, \$330 total), one time for the fee changes to reflect in the system.

Expenditure Detail – 2024 one-time cost \$423.00 (\$93.00 plus \$330), 2025 one- time cost \$93.00, 2026 one- time cost \$93.00 – WSDA can absorb.

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.



Ten-Year Analysis

Bill Number 5150 2E S SB	Title Beef commission	Agency 495 Department of Agriculture
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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
Beef Assessments	126		209,773	349,621	419,545	419,545	419,545	419,545	419,545	419,545	419,545	3,496,209
Pass through to Beef Commission	126		(209,773)	(349,621)	(419,545)	(419,545)	(419,545)	(419,545)	(419,545)	(419,545)	(419,545)	(3,496,209)
Total												

Biennial Totals

Narrative Explanation (Required for Indeterminate Cash Receipts)

5150 2ES SB Section 1 amends 16.67.120 and increases the state Beef Commission's levied beef assessment from \$1.00 to \$1.50 per head beginning July 1, 2024, increases again beginning January 1, 2025 to \$2.00 per head and increases one more time beginning January 1, 2026 to \$2.50 per head on all Washington cattle sold in state or elsewhere to be paid by the seller at the time of sale.

WSDA's Livestock ID program (LID) collects approximately 31% of the Beef Commissions livestock state assessments and 100% of those assessment funds WSDA collects on behalf of the Beef Commission are passed through to them. WSDA will not realize any new or changes to existing revenues as a result of the fee increased proposed in this bill. Cash receipt impact estimates in this note are based on the increase in state assessment amounts WSDA would expect to collect on behalf of the Beef Commission and pass through to them if the bill passes.

The estimate is calculated as follows:

- Average of the previous 3 year period (2021-2023) = \$279,697

FY 2025 July 1, 2024 to December 31, 2024 - 139,848 at \$.50 = \$69,924

FY 2025 January 1, 2024 to June 30, 2024 - 139,849 at \$1.00 = \$139,849

FY 2025 Total Increase - \$209,773



Ten-Year Analysis

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Narrative Explanation (Required for Indeterminate Cash Receipts)

FY 2026 July 1, 2025 to December 31, 2025 - 139,849 at \$1.00 = \$139,849 FY 2026 January 1, 2026 to June 30, 2026 - 139,848 at \$1.50 = \$209,772 FY 2026 Total Increase - \$349,621 FY 2027 Total Increase - \$419,545

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