

Multiple Agency Fiscal Note Summary

Bill Number: 6114 SB	Title: Sustainable aviation fuel
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Estimated Cash Receipts

NONE

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
Department of Transportation	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Agriculture	.0	5,060	5,060	5,060	.0	5,060	5,060	5,060	.0	0	0	0
Department of Agriculture	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Total \$	0.0	5,060	5,060	5,060	0.0	5,060	5,060	5,060	0.0	0	0	0

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
Department of Transportation	.0	0	0	.0	0	0	.0	0	0
Department of Agriculture	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

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: Tiffany West, OFM	Phone: (360) 890-2653	Date Published: Revised 1/31/2024
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Individual State Agency Fiscal Note

Bill Number: 6114 SB	Title: Sustainable aviation fuel	Agency: 405-Department of Transportation
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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: Jenna Forty	Phone: 360-786-7755	Date: 01/16/2024
Agency Preparation: Terri Palumbo	Phone: 360-709-8096	Date: 01/23/2024
Agency Approval: Ann Richart	Phone: 360-529-6550	Date: 01/23/2024
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 01/24/2024

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.

See attached WSDOT fiscal note.

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

Bill Number: 6114 SB

Title: Sustainable Aviation Fuel

Agency: 405-Department of Transportation

Part I: Estimates

Check applicable boxes and follow corresponding instructions, use the fiscal template table provided to show fiscal impact by account, object, and program (if necessary), **add rows if needed**. If no fiscal impact, check the box below, skip fiscal template table, and go to Part II to explain briefly, why the program believes there will be no fiscal impact to the department.

No Fiscal Impact (Explain in section II. A)

If a fiscal note is assigned to our agency, someone believes there might be, and we need to address that, showing why there is no impact to the department.

Indeterminate Cash Receipts Impact (Explain in section II. B)

Partially Indeterminate Cash Receipts Impact (Explain in section II. B)

Indeterminate Expenditure Impact (Explain in section II. C)

Partially Indeterminate Expenditure Impact (Explain in section II. C)

If fiscal impact is less 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 greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, **complete entire fiscal note form Parts I-V**

Capital budget impact, **complete Part IV**

Requires new rule making, **complete Part V**

Revised

Agency Assumptions

The department assumes that sustainable aviation fuel (SAF) is currently available and is American Society for Testing and Materials (ASTM) certified, however, is in very short supply. Currently, SAF costs more per gallon than Jet. Airports that sell fuel, fixed-base operators (FBO)s, and fuel purchasers will see an increase in cost of fuel. Other assumptions include:

- The Governor may suspend all or portions of this requirement based on a determination that such requirements are temporarily, technically, or economically infeasible, or pose a significant risk to public safety.
- The Department of Agriculture will adopt rules for enforcing and carrying out the purposes of Section 2 of this act by November 1, 2027, and notify the Governor and Transportation Committees of the Legislature of the rules adopted by December 1, 2027.
- The Department of Transportation may provide technical assistance to airport operators as necessary for implementation of this section.

Agency Contacts:

Preparer: Terri Palumbo	Phone: 360-791-3416	Date: 1/17/2024
Approval: Ann Richart	Phone: 360-529-6550	Date: 1/17/2024
Budget Manager: My-Trang Le	Phone: 360-705-7517	Date: 1/22/2024

Individual State Agency Fiscal Note

Part II: Narrative Explanation

II. A - Brief description of what the measure does that has fiscal impact

Briefly describe by section number (sections that will change WSDOT costs or revenue), the significant provisions of the bill, and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency. List the sections that have fiscal impact to WSDOT only. E.g., "Section 3 directs the Department to ..." No summarizing, no interpreting, and save any background context for the revenue and expenditure parts.

The proposed legislation SB 6114 requires airport operators providing jet fuel to private aircraft operating under federal aviation regulation Part 91 to provide fuel blends with a minimum of 10 percent sustainable aviation fuel by July 1, 2028.

The bill also states that the Department of Transportation may provide technical assistance to airport operators as necessary for implementation of this section. It is assumed that the time spent for those activities can be managed within existing resources.

This has no fiscal impact to the department.

II. B – Cash Receipts Impact

Section-by-section, briefly describe and quantify the cash receipts impact of the legislation on WSDOT. Explain how you calculated the cash receipts and any assumptions. Show only revenues collected by WSDOT that are new to the state, not re-directed from another agency.

N/A

II. C - Expenditures

Section by section, citing only the sections that impact WSDOT, briefly describe the costs to WSDOT to implement this legislation (or savings resulting from this legislation), naming by section number the requirements of the legislation that result in the expenses or savings. Briefly describe the factual basis of the assumptions and the method by which the fiscal impact is derived. Explain how workload assumptions translate into cost estimates. Discern between one time and ongoing functions.

N/A

Part III: Expenditure Detail

III. A - Expenditures by Object or Purpose

N/A

Part IV: Capital Budget Impact

N/A

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

N/A

Individual State Agency Fiscal Note

Bill Number: 6114 SB	Title: Sustainable aviation fuel	Agency: 495-Department of Agriculture
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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	0.0	0.0
Account					
General Fund-State 001-1	0	5,060	5,060	5,060	0
Total \$	0	5,060	5,060	5,060	0

In addition to the estimates above, there are additional indeterminate costs 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: Jenna Forty	Phone: 360-786-7755	Date: 01/16/2024
Agency Preparation: Alison Halpern	Phone: (360) 902-1800	Date: 01/31/2024
Agency Approval: Lori Peterson	Phone: 360-974-9767	Date: 01/31/2024
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 01/31/2024

Part II: Narrative Explanation

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

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

Under current law (Chapter 19.94 Revised Code of Washington (RCW)), Washington State Department of Agriculture's (WSDA's) Weights and Measures program regulates the use and accuracy of all commercial weighing, measuring, and counting devices, including gas pumps, grocery store scale systems, price scanners, vehicle tank meters, and liquid petroleum gas measuring devices. Under Chapter 19.112 RCW, WSDA's Weights and Measures program regulates motor fuel quality, including biofuels quality, by analyzing fuel samples for octane, oxygenate, and other product quality factors. The proposed legislation would require that airport operations that provide jet fuel for private aircrafts would have to provide fuel blends with a minimum of at least ten percent sustainable aviation fuels.

Section 2 would require airport operations that provide jet fuel for private aircraft to provide fuel blends with a minimum of at least ten percent sustainable aviation fuels, or alternative jet fuels as defined in RCW 70A.535.010. The Washington Department of Transportation would be responsible for providing technical assistance as needed to airport operations to implement this new requirement. The Governor would have the authority to suspend the requirements of the section through executive order, if requirements were found to be temporarily, technically, or economically unfeasible or to pose a significant risk to public safety.

Section 3 would require WSDA to adopt rules by November 1, 2027, for enforcing and carrying out the requirements of section 2. The WSDA Director would notify the Governor and Transportation Committees of these adopted rules by December 1, 2027.

II. B - Cash receipts Impact

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

II. C - Expenditures

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

The expenditure impact to WSDA is estimated to be less than \$50,000 in fiscal years (FYs) 2025 and 2026. WSDA assumes future indeterminate costs as described below.

WSDA's Weights and Measures program currently regulates motor fuel quality, including biofuels, under Chapter 19.119 RCW, and the provisions for implementing and enforcing these requirements are established in Washington Administrative Code (WAC) Chapter 16-662. WSDA assumes the criteria for implementing and enforcing the requirements of section 3 would be modeled on the procedures used for motor fuel and biofuel quality. Because WSDA does not currently test aviation fuel composition, the specific procedures to collect samples and perform laboratory analysis would take time to research and develop. WSDA assumes 12 months would be needed for rulemaking to provide ample time to research procedures, requirements, and criteria for aviation fuel quality and composition measures. WSDA would begin the rulemaking process in January 2025 with the plan to adopt the rule and notify the Governor of rule adoption by January 2026. If additional time were needed to support public engagement or address technically complex considerations, this would provide added time and still meet the requirement of section 3 to adopt the rule by November 1, 2027, and notify the Governor of rule adoption by December 1, 2027. The estimated staff time in this fiscal note assumes light to moderate public interest and technical complexity.

WSDA's Weights and Measures program implements the provisions of Chapter 19.94 RCW with the Weights and Measures Account in the Agricultural Local Fund. The funding in the Weights and Measures account is based on

registration fees set in statute, which are intended to cover the costs of inspecting the devices for which the fees are set. WSDA does not currently regulate the composition or content of fuels in Chapter 19.94 RCW. WSDA's implementation and enforcement of motor fuel quality standards is authorized in Chapter 19.112 RCW and funded by an appropriation in the Motor Vehicle Account. Because the proposed legislation would create new costs not currently covered by registration fees in Chapter 19.94 RCW, and that may not be eligible for Motor Vehicle Account appropriation, WSDA assumes the rulemaking and notification required in section 3 and future indeterminate costs would be funded by a appropriation in the state general fund.

The following staff time would be needed in the Plant Protection Division's Weights & Measures Program to research and prepare draft rule language, conduct outreach and community engagement, respond to comments, and prepare final proposed rule language for adoption.

- 30 hours for an Environmental Specialist 5
- 40 hours for the Weights and Measures Program Manager (WMS Band 2)
- 15 hours for a Program Specialist 3

The following staff in the Administrative Regulations program would be needed to coordinate the rulemaking process and timeline, provide technical support to the rule writers, and prepare an economic and regulatory analysis of the rule, environmental justice assessment, and small business impact statement.

- 20 hours for a Regulatory Analyst 3
- 30 hours total for a Management Analyst 5

The estimated staff time is assumed to be distributed equally across the twelve-month process, with half of the workload in fiscal year (FY) 2025 and the other half in FY 2026.

Indeterminate Costs:

Because the specific criteria for implementing and enforcing the requirements of section 2 would be established during rulemaking, the staff and costs necessary to monitor and enforce compliance would be indeterminate at this time.

During rulemaking, WSDA would determine the procedures and requirements to test the percentage of sustainable aviation fuel in aviation fuel blends. When the procedures have been determined, WSDA would submit a budget proposal for staffing, equipment, and other costs necessary to implement and enforce the requirements in section 2.

Ongoing staff resources would be needed to coordinate compliance enforcement and perform testing of samples, the workload for which would be based on the criteria established during rulemaking.

In addition to WSDA staff, monitoring would require laboratory testing costs and sampling costs. WSDA currently contracts with service agents for aviation meter testing because fuel cannot be returned to the tank after sampling, and aviation pump flow pressure and volume is high. Costs to sample aviation fuels to measure sustainable fuel content would require service agent fees. Laboratory tests for motor fuels under current law range from \$800 to \$1,000 per test. Costs for staff, service agent costs, and laboratory tests to implement monitoring and enforcement of compliance are indeterminate and not included in the cost tables.

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

FY 2025: \$5,060 and 0.03 FTE

FY 2026: \$5,060 and 0.03 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.

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
001-1	General Fund	State	0	5,060	5,060	5,060	0
Total \$			0	5,060	5,060	5,060	0

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

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.0	0.0	0.0	
A-Salaries and Wages		3,150	3,150	3,150	
B-Employee Benefits		570	570	570	
C-Professional Service Contracts					
E-Goods and Other Services		430	430	430	
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-9 - Agency Administrative Overhead		910	910	910	
Total \$	0	5,060	5,060	5,060	0

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

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
ENVIRONMENTAL SPECIALIST 5	95,654		0.0	0.0	0.0	
MANAGEMENT ANALYST 5	98,040		0.0	0.0	0.0	
PROGRAM SPECIALIST 3	74,729					
REGULATORY ANALYST 3	100,524					
WMS BAND 2	105,178		0.0	0.0	0.0	
Total FTEs			0.0	0.0	0.0	0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Section 3 of the bill would require WSDA to adopt new rules in WAC 16-660 by November 1, 2027.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 6114 SB

Title: Sustainable aviation fuel

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: The market price of sustainable aviation fuel.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Kristine Williams	Phone: (564) 669-3002	Date: 01/19/2024
Leg. Committee Contact: Jenna Forty	Phone: 360-786-7755	Date: 01/16/2024
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 01/19/2024
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 01/22/2024

Part IV: Analysis

A. SUMMARY OF BILL

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

This bill would require local airport operators to provide sustainable aviation fuel for use by private jets.

Section 1 adds a new section stating the legislature's intent to encourage the use of sustainable aviation fuels.

Section 2 adds a new section to chapter 14.08 RCW which requires airport operators to provide aviation fuel with a minimum of 10% sustainable aviation fuel. The governor may suspend these requirements by executive order if the requirements are deemed to be infeasible or pose a significant risk to public safety. "Sustainable aviation fuel" means alternative jet fuel, as defined in RCW 70A.535.010.

Section 3 adds a new section to chapter 19.94 RCW which sets an effective date of November 1, 2027, for rule adoption.

This legislation would take effect 90 days after adjournment of the session in which the bill 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.

The legislation would not impact local government expenditures.

This bill does not require airport operators to segregate sustainable aviation fuel (SAF) so there would be no capital costs for local governments.

The majority of municipal airports in Washington state contract with a private fixed based operator (FBO) to provide aviation services. These services typically include purchasing aviation fuel and refueling airplanes. The port of Chelan, which serves as the FBO for the Wenatchee airport, reports that the cost of SAF can range between anywhere from 40% to 50% higher than standard aviation fuel. This legislation would result in higher operating expenses for fixed base operators, depending on the market price for SAF. These costs increases are typically passed on to the consumer by FBOs.

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 legislation would not impact local government revenues.

SOURCES

Ferry County

City of Spokane/Spokane County - Spokane International Airport

Port of Chelan County