Multiple Agency Fiscal Note Summary

Bill Number: 1185 2S HB	**Title:** Lighting products

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
Department of Ecology	0	0	0	0	0	285,482	0	0	78,912
Total $	**0**	**0**	**0**	**0**	**0**	**285,482**	**0**	**0**	**78,912**

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	No fiscal impact					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Attorney General	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Ecology	.0	0	0	0	1.2	0	0	285,482	.5	0	0	78,912
Environmental and Land Use Hearings Office	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total $	**0.0**	**0**	**0**	**0**	**1.2**	**0**	**0**	**285,482**	**0.5**	**0**	**0**	**78,912**

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Department of 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**

FNPID 70465

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: Lisa Borkowski, OFM	Phone: (360) 742-2239	Date Published: Final 2/ 5/2024

Individual State Agency Fiscal Note

Bill Number: 1185 2S HB	Title: Lighting products	Agency: 100-Office of Attorney General

Part I: Estimates

[X] **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: 01/30/2024
Agency Preparation:	Amy Flanigan	Phone: 509-456-3123	Date: 02/01/2024
Agency Approval:	Joe Zawislak	Phone: 360-586-3003	Date: 02/01/2024
OFM Review:	Val Terre	Phone: (360) 280-3973	Date: 02/01/2024

Part II: Narrative Explanation

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

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

The Attorney General's Office (AGO) Ecology Division (ECY) has reviewed this bill and determined it will not increase or decrease the division's workload in representing the Department of Ecology (Ecology). This bill would extend an existing agency program that will otherwise phase out in FY 2025 and make changes to RCW 70A.505. The bill requires Ecology to amend its current rules at WAC 197-910. ECY anticipates no more than 40 hours of Assistant Attorney General (AAG) advice in FY 2026 and FY 2027 on the rule amendments. The bill would prohibit the sale of mercury containing lights starting in FY 2029 and any lights by legacy mercury light producers that do not participate in the stewardship program. ECY does not anticipate measurable enforcement advice or support needs for this, as there have not been any in the past with regard to producer participation in the ten plus year old stewardship program. New legal services are nominal and costs are not included in this request.

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: 1185 2S HB	Title: Lighting products	Agency: 461-Department of Ecology

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Product Stewardship Programs Account-Non-Appropriated 16T-6				285,482	78,912
Total $				285,482	78,912

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.0	0.0	1.2	0.5
Account					
Product Stewardship Programs Account-Non-Appropriated 16T-6	0	0	0	285,482	78,912
Total $	0	0	0	285,482	78,912

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: 01/30/2024
Agency Preparation:	My-Hanh Mai	Phone: 360-742-6931	Date: 02/01/2024
Agency Approval:	Erik Fairchild	Phone: 360-407-7005	Date: 02/01/2024
OFM Review:	Lisa Borkowski	Phone: (360) 742-2239	Date: 02/01/2024

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.

Compared to P2SHB 1185 (H-2106.3), 2SHB 1185 has the following substantive changes:

- Section 2 postpones the start date on the prohibition on the sale of certain mercury-containing lights to 2029.
- Section 2 restores existing labeling requirements for mercury-containing lights; defines special-purpose mercury-containing light; exempts compact fluorescent lamps used to replace lamps in motor vehicles manufactured prior to 2020 from the 2029 restrictions on mercury-containing bulbs.
- Section 2 clarifies and defines the mercury-containing products that are applicable to the program beginning January 1, 2029, and those that are not (retaining the same basic scope of covered products as the current mercury-containing lights stewardship program).
- Sections 7 and 18 provide for legacy producers of mercury-containing lights who sold mercury-containing lights into Washington between 2015 and 2029 to fund the operations of the mercury-containing lights stewardship program based on each producer's market share until the earlier of: (1) 2039; or (2) a date determined by a benefit cost analysis carried out in 2032 and 2036 by the Department of Ecology (Ecology), based on declining program collections, after which the requirements on producers to implement a product stewardship program cease to apply;
- Sections 4 and 14 prohibits legacy producers from selling lights of any type into Washington beginning in 2029 if they do not participate in a product stewardship program.
- Section 5 limits the existing environmental handling charge for mercury-containing lights to their current levels and provides that any additional funds needed to implement the stewardship program until 2029 must be funded by legacy producers of mercury-containing lights.
- Section 7 provides that the stewardship organization must continue to implement the existing stewardship organization program requirements until December 31, 2028, except for the new prohibition on the increase in the environmental handling charge, the changes to collection site per-day bulb return limits, and the elimination of the existing $3,000 per-producer cap on administrative oversight fees due to Ecology beginning in 2025.
- Section 7 eliminates the new requirement that the stewardship organization provide full cost reimbursement to local government collection location costs.
- Section 18 changes the date for which the requirements of the chapter cease to apply from January 1, 2050, to January 1, 2039, and requires Ecology to conduct cost-benefit analyses in calendar years 2032 and 2036, if Ecology and the Stewardship Organization (SO) have agreement to a different cessation date prior to 2039.

The changes in the bill would change the fiscal impact to Ecology.

Under current law, Chapter 70A.505 RCW, Ecology oversees the mercury-containing lights product stewardship (LightRecycle) program, operated and funded by a SO.

Section 2 would amend RCW 70A.230.020 to ban the sale of certain mercury-containing lights beginning January 1, 2029, describe civil penalties that would be deposited into the Model Toxics Control Operating Account (MTCA-Operating), and authorize rulemaking.

Section 3 would amend RCW 70A.505.010 to clarify the purpose of the act is to reduce exposure to mercury by phasing out the sale of most mercury-containing lights, and to provide continuing collection of mercury-containing lights that have already entered the marketplace.

Section 4 would amend RCW 70A.505.020 (Definitions) to:

• Allow the number of lights an eligible person can bring in at any one time from 10 to an unlimited amount of screw-based mercury-containing compact fluorescent lights, 10 pin-based linear mercury-containing fluorescent lamps, and

2 high-intensity mercury-containing lamps.
• Clarify the Environmental Handling Charge (EHC) must be used to fund the program until December 31, 2028, when the sales prohibition begins.
• Clarify or add new definitions for covered entities, CFL lamp, legacy producer, market share, and orphan products.

Section 5 would amend RCW 70A.505.030 to allow a SO to continue to implement its program according to its most current program plan until December 31, 2028, except that the EHC amount that funds the program would not increase from January 1, 2024, level. If additional funds would be needed to implement the program, the SO would be required to get those funds from participating producers. Until January 1, 2029, the program would be funded by participant members of the SO. This section would allow Ecology to amend convenience standards when de minimis collections can be demonstrated from collection sites.

Section 6 would amend RCW 70A.505.040, requiring a new or updated product stewardship plan to be submitted by January 1, 2028, for implementation by January 1, 2029. The plan would include new requirements such as a list of current and proposed collection sites (including latitude and longitude for each site), performance goals to be reported on in annual reports, public outreach efforts, including targeted outreach to overburdened communities and vulnerable populations, a contingency plan should the SO falter on its obligations, a safety/response plan for collection site operators, and a periodic survey of public awareness at least every five years. The plan would be updated three years from January 1, 2029, and every five years thereafter.

Section 7 would amend RCW 70A.505.050 to remove the EHC requirement beginning January 1, 2029. Each SO would need to cover the costs of the program with a market share calculation and collect that amount from legacy producers. Additionally, this section would remove the $3,000 annual fee from each participating producer after March 1, 2024. Beginning March 1, 2025, and annually thereafter, each SO would be required to pay Ecology an annual fee to cover Ecology's oversight costs..

Section 10 would amend RCW 70A.505.100 to update penalty provisions by allowing a civil penalty of $1,000 per day or $10,000 per day for repeated violations and require Ecology to issue warning letters before issuing administrative orders and penalties; Ecology would have the authority to revoke a plan, issue corrective action orders (including for failure of the SO to achieve performance goals and the failure of a legacy producer to respond to a requirement for information), and direct implementation of a contingency plan.

Section 11 would amend RCW 70A.505.110 and require Ecology to review SO plans within 120 days of submittal, provide Ecology the authority to amend a plan, and direct the SO to implement the amended plan. This section would clarify that a producer not in compliance with the mercury-light provision would not be allowed to sell any light into Washington.

Section 12 would amend RCW 70A.505.120 to direct funds received from stewardship organizations and producers to the Product Stewardship Programs Account and update the title of the account to the Mercury-Containing Light Product Stewardship Programs Account.

Section 13 would amend RCW 70A.505.130 to require legislative reports concerning the status of the product stewardship program and recommendations for changes to the provisions of this chapter by November 1, 2029, and December 31, 2035. Ecology would be required to seek comments from local governments, communities, and residents and would estimate the recycling rate for other lights, in addition to mercury-containing lights, beginning October 1, 2026. Ecology would be authorized to request data from the SO to make the estimations.

Section 18 would require Ecology to conduct cost-benefit analysis in calendar years 2032 and 2036 unless Ecology and the SO agree to a different end date for the program before 2039 without carrying out a cost-benefit analysis.

Section 21 would repeal provisions in the sunset act for the mercury-containing lights product stewardship program.

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 estimated to be greater than $50,000 in Fiscal Year (FY) FY 2026 and FY 2027, and less than $50,000 in FY 2028 and FY 2029 for fee revenue collected into the Mercury-Containing Light Product Stewardship Programs Account. No cash receipts are estimated for penalties.

Under current law, one SO implements the mercury lights stewardship plan and submits an annual payment to Ecology of $3,000 for each of the SO's represented producers. Each year, Ecology refunds the SO for fee payment revenue if Ecology's actual costs incurred for the fiscal year are less than the funds received.

Beginning March 1, 2025, and annually thereafter, each SO would be required to pay Ecology an annual fee to cover Ecology's oversight costs (section 7). The revenue would be deposited in the Mercury-Containing Light Product Stewardship Programs Account (section 12).

Ecology assumes the fee paid in March 2025 would be for FY 2026 costs to implement, administer, and enforce the program and would replace the annual fee currently in effect. The annual fee would be based on estimated costs for the coming fiscal year during which the fee is billed. Ecology would be required to adjust the future fee invoice by the difference between the collected annual payment and actual department's costs for a given year.

Cash receipts are assumed to represent the incremental increase in revenue that would be necessary to cover the incremental increase in estimated costs for each fiscal year to implement the bill, beginning in FY 2026. Based on this assumption, revenue estimates are equal to expenditure estimates in the Mercury-Containing Light Product Stewardship Programs Account each fiscal year, beginning in FY 2026.

Section 2 would provide authority for Ecology to impose civil penalties of up to $1,000 for the first violation and up to $5,000 for repeated violations. Penalties collected would be required to be deposited in the Model Toxics Control Operating Account.

Section 10 would provide authority for Ecology to impose penalties of up to $1,000 per violation per day and up to $10,000 per violation per day for repeated violations or failure to comply with an issued order. Ecology assumes that if a producer or any person violates this chapter, Ecology would initially send a written warning letter to bring them into compliance.

Enforcement actions and 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 (FY) FY 2026 and FY 2027, and less than $50,000 in FY 2028 and FY 2029 to implement the requirements of sections 2, 6,11,13, and 18.

RULE-MAKING (Sections 2, 6, 11, and 13 give Ecology rule-making authority)

Ecology assumes that Chapter 173-910 WAC Mercury-Containing Lights Product Stewardship Program would need to be updated to implement new and changing requirements to the existing mercury-containing lights program before the plan is due on January 1, 2028. Rule-making authority is provided in the bill under existing law.

Based on previous experiences implementing other product stewardship programs and consultations with the agency rules unit and the Attorney General Office (AGO), Ecology assumes an eighteen-month rule-making process would be required.

Ecology assumes one public meeting when developing draft rule language with a webinar option and two public hearings for the proposed rule language. Ecology assumes rulemaking would begin on October 1, 2025 (FY 2026) and be completed on March 31, 2027 (FY 2027).

The following staff needs are identified for this rulemaking:

A rule administrative coordinator would oversee the rule-making process to comply with the Administrative Procedures Act; prepare rule development and communication plan; prepare and file CR-101; coordinate with interested parties; file CR-102 and hold two public hearings with webinars access; work with economist on economic analysis; work with technical staff to finalize rule language; and file the CR-103 for adoption. This is estimated to require 0.10 FTE Regulatory Analyst 3 (RA-3) each year in FY 2026 and FY 2027.

A rule-making lead would provide technical support to rule coordinator, identify interested parties, coordinate interested party meetings and public outreach, draft rule language, write rule-related documents such as responsiveness summaries and rule development documents, update enforcement guidance documents, prepare information for the economic analysis, and respond to stakeholder questions. Ecology assumes we would perform an Environmental Justice Assessment in FY 2025 as required under the HEAL Act, Chapter 70A.02 RCW. This is estimated to require 0.40 FTE EP-4 each year in FY 2026 and FY 2027.

Communications lead would coordinate an outreach strategy and media engagement. This would require 0.05 FTE Communications Consultant 5 (CC-5) each year in FY 2026 and FY 2027.

Website developer would coordinate with the rule-making lead on a public website for the rule-making process. This would require 0.07 FTE Communications Consultant 3 (CC-3) each year in FY 2026 and FY 2027.

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

Economic research staff would complete economic and regulatory analysis in support of the rule as required by law. This is estimated to require 0.20 FTE of an Economic Analyst 3, and 0.05 FTE of a Regulatory Analyst 2 in FY 2027.

One public meeting would be held in FY 2026 and two public hearings would be held in FY 2027. Cost estimates include facility rental costs, estimated at $1,000 per meeting for a total of $1,000 in FY 2026 and $2,000 in FY 2027 in Object E.

The Attorney General’s Office (AGO) assumes no more than 40 hours of an Assistant Attorney General (AAG) advice in FY 2026 and FY 2027 would be needed to provide legal support for rulemaking.

PLAN AND ANNUAL REPORT REVIEW AND TECHNICAL ASSISTANCE (Sections 6,11, and 13)

Sections 6 and 11 would require new or updated plans submitted by January 1, 2028, for implementation in calendar year 2029 and would be updated three years from January 1, 2029, and every five years thereafter to incorporate new plan elements outlined in the bill. Ecology would be required to review and approve the plan to see if it adequately addresses required components within 120 days of receipt of a complete plan. Ecology assumes the next plan update would be submitted by January 1, 2032 (FY 2032), and every five years thereafter. Ecology assumes one SO would implement the program on behalf of all participating manufacturers. Ecology currently receives and reviews plans under the current law and does not assume an increased workload, except as described below.

This bill would require the SO to include outreach targeted to overburdened communities and vulnerable populations identified by the department under Chapter 70A.02 RCW. Ecology assumes it would have to provide information to the SO regarding overburdened communities and vulnerable populations and estimates 0.20 FTE Environmental Planner 3 each year in FY 2028 and FY 2032, and every five years thereafter to do this work.

Section 6 would also require a SO to submit an annual report to Ecology by June 1 of each year. Ecology already receives and reviews one annual report from the mercury-lights stewardship organization and does not anticipate any new or additional work associated with the annual report review under this bill.

Section 13 would Ecology to seek comments from local governments, communities, and residents and would estimate the recycling rate for other lights, in addition to mercury-containing lights, beginning October 1, 2026. Ecology would be authorized to request data from the SO to make the estimations. Ecology assumes that with the data we would receive from the SO to determine the recycling rate for all lights, this would be a nominal effort, and costs are not included in this fiscal note.

LEGISLATIVE REPORT (Section 13)

Section 13 would require Ecology to submit a report to the appropriate committees of the Legislature by November 1, 2029, and by December 31, 2035. The report would address the status of the product stewardship program and recommendations for changes to the provisions of the chapter. The legislative report requirement in the existing law expired in 2014, so this would be a new requirement.

Preparation of the report for submittal to the appropriate committee(s) of the Legislature would require the following for each legislative report:

An Environmental Planner 4 (EP-4) would draft the report, coordinate agency and OFM review, incorporate recommended edits, publish the final report, and submit the report to the Legislature. Assuming similar efforts are needed for each report, the estimated workload is 0.15 FTE EP-4 in FY 2029 and 0.05 FTE in FY 2030.

An Environmental Planner 5 (EP-5) would provide internal policy and technical review and edits for each draft report. The estimated workload is 0.03 FTE EP-5 in FY 2029 and 0.02 FTE FY 2030.

A Communications Consultant 5 (CC-5) would review the report for content clarity and key messages. The estimated workload is 0.03 FTE CC-5 in FY 2029 and 0.02 FTE in FY 2030.

A Communications Consultant 2 (CC-2) would review the report for plain talk and accessibility. The estimated workload is 0.03 FTE CC-2 in FY 2029 and 0.02 FTE in FY 2030.

An Environmental Planner 5 (EP-5) would advise the report writer on legislative report requirements and coordinate with the agency's Governmental Relations Office. The estimated workload is 0.03 FTE EP-5 in FY 2029 and 0.02 FTE in FY 2030.

COST-BENEFIT ANALYSES (Section 18)

Section 18 would require Ecology to conduct a cost-benefit analysis in 2032 and 2036 unless Ecology and stewardship organization agree to a different end date for the program before it would end in 2039 without carrying out a cost-benefit analysis. Ecology assumes a cost-benefit analysis would need to be conducted in 2032. The sales ban for mercury-lights goes into effect on January 1, 2029. The average life a mercury containing bulb can be anywhere from five to eight years. Therefore, not enough time will have passed by 2032 to safely say the majority of mercury-containing lights sold will be returned to the program.

Preparation and completion of the cost-benefit analysis would require the following staff resources:

Economic research staff would complete the cost-benefit analysis. This is estimated to require 0.20 FTE of an Economic

Analyst 3, and 0.05 FTE of a Regulatory Analyst 2 in FY 2032.

A subject matter expert would be needed to facilitate data gathering and work with the economic research staff on details of the cost-benefit analysis. This is estimated to require 0.20 FTE EP-4 in FY 2032.

THE TOTAL EXPENDITURE IMPACT to Ecology under this bill is estimated to be:
FY 2026: $120,540 and 1.1 FTEs
FY 2027: $164,942 and 1.4 FTEs
FY 2028: $32,096 and 0.5 FTEs
FY 2029: $46,816 and 0.5 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 and include $1,000 in FY 2026 and $2,000 in FY 2027 for rule-making facility rental costs.
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
16T-6	Product Stewardship Programs Account	Non-Appropriated	0	0	0	285,482	78,912
		Total $	0	0	0	285,482	78,912

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years				1.2	0.5
A-Salaries and Wages				153,027	42,760
B-Employee Benefits				52,182	14,581
E-Goods and Other Services				13,220	2,841
G-Travel				3,727	1,036
J-Capital Outlays				2,173	606
9-Agency Administrative Overhead				61,153	17,088
Total $	0	0	0	285,482	78,912

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
COM OUTRCH & ENV ED SP 3	67,717				0.1	
COMM CONSULTANT 2	64,439					0.0
COMM CONSULTANT 3	71,149				0.1	
COMM CONSULTANT 5	93,349				0.1	0.0
ECONOMIC ANALYST 3	95,627				0.1	
ENVIRONMENTAL PLANNER 3	86,716					0.1
ENVIRONMENTAL PLANNER 4	95,650				0.6	0.3
ENVIRONMENTAL PLANNER 5	105,612					0.0
FISCAL ANALYST 2					0.1	0.1
IT APP DEV-JOURNEY					0.1	0.0
REGULATORY ANALYST 2	88,798				0.0	
REGULATORY ANALYST 3	100,521				0.1	
Total FTEs					1.2	0.5

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(8) would authorize Ecology (may) to adopt rules to implement, administer, and enforce the requirements of this section.

Section 6(2) would require Ecology (shall) to establish rules for plan content.

Section 6(5) would authorize Ecology (may) to adopt rules for reporting requirements.

Section 11(5) would require Ecology (shall) to adopt rules to implement this chapter. This section is related to Ecology's review and process of approving stewardship plans.

Section 13(1) would authorize Ecology (may) to adopt rules necessary to implement, administer, and enforce this chapter.

Ecology assumes an eighteen-month moderately controversial rule-making process would be required. Ecology assumes rulemaking would begin on October 1, 2025 (FY 2026) and be completed on March 31, 2027 (FY 2027).

Individual State Agency Fiscal Note

Revised

Bill Number: 1185 2S HB	Title: Lighting products	Agency: 468-Environmental and Land Use Hearings Office

Part I: Estimates

[X] **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: 01/30/2024
Agency Preparation:	Dominga Soliz	Phone: 3606649173	Date: 02/05/2024
Agency Approval:	Dominga Soliz	Phone: 3606649173	Date: 02/05/2024
OFM Review:	Lisa Borkowski	Phone: (360) 742-2239	Date: 02/05/2024

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.

Revised based on information from the Department of Ecology.

Section 2 -- Beginning January 1, 2029, manufacturers, wholesalers, and retailers may not knowingly sell compact fluorescent lamps and linear fluorescent lamps. Some exemptions are listed. Violations are punishable by civil penalty of up to $1,000 for first violation or $5,000 for repeat violations. Authorizes the Department of Ecology to implement and enforce the requirements. Penalties are appealed to the Pollution Control Hearings Board (PCHB).

Section 10 – The Department of Ecology may impose a civil penalty of up to $1,000 per violation per day, or issue a compliance order. Ecology may impose a civil penalty of up to $10,000 per violation per day on a person for repeated violations or failure to comply with a compliance order. Ecology must provide written warning before imposing penalties for first violations. Persons may appeal the penalty or corrective action order to the PCHB.

Section 16 – Amends the PCHB’s jurisdiction statute, ch. 43.21B RCW, to include new authority over appeals of penalties imposed under the mercury light disposal statute (RCW 70A.505.100) and the mercury statute (RCW 70A.230.020).

Section 17 – Violation of the mercury light statute, other than fluorescent lamp labeling requirements, is subjected to civil penalty not more than $1,000 for each first violation and $5,000 for each repeat violation.

Section 18 – creates a sunset of the requirements in the mercury light disposal statute (Ch. 70A.505 RCW) for no later than Jan. 1, 2039 (can be earlier if Ecology and stewardship organizations agree).

Section 19 – Requires recycling of mercury containing lights at end of life and prohibits the disposal of mercury containing lights in most solid waste and recycling containers.

Section 22 – This section formalizes the sunset created in Sec. 18 by repealing mercury light disposal statute (Ch. 70A.505 RCW) effective Jan. 1, 2040.

Ecology has issued no penalties under RCW 70A.230 (Mercury) and the Environmental and Land Use Hearings Office (ELUHO) anticipates no more than a small number of low complexity appeals before the sunset date of the mercury light disposal statute, RCW 70A.505. Therefore, ELUHO assumes any appeals can be absorbed by the PCHB under these sections.

ELUHO anticipates a slight increase in appeals following the start date of compliance with Section 2 when the prohibition on selling compact fluorescent and linear florescent lamps begins in January 2029. However, the increase is expected to result in approximately 2 low complexity appeals per year. Therefore, ELUHO assumes appeals can be absorbed by the PCHB.

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.

None

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

None

Part V: New Rule Making Required

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

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1185 2S HB	Title: Lighting products

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

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

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Alice Zillah	Phone: 360-725-5035	Date: 02/05/2024
Leg. Committee Contact:	Phone:	Date: 01/30/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/05/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/05/2024

Part IV: Analysis

A. SUMMARY OF BILL

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

CHANGES BETWEEN THIS VERSION AND PRIOR VERSION OF BILL:
The second substitute adds a new section 19 which directs that all mercury-containing lights must be recycled separately from other trash and recyclable materials. This does not create fiscal impacts for local governments.

SUMMARY OF BILL:
Sec. 1 establishes that it is the intent of the legislature to restrict the sale of some mercury-containing lights; include other types of lights in the state's stewardship program; and modernize key elements of the state's stewardship program for lighting products.

Sec. 2 modifies RCW 70A.230.020. Effective January 1, 2029, a manufacturer, wholesaler, or retailer may not knowingly sell at retail a light, as defined in RCW 70A.505.020 if the light contains mercury. The provisions this section do not apply to: (a) A special purpose mercury-containing light, as defined in RCW 70A.505.020; (b) The products specified in RCW 70A.230.110; or (c) The sale or purchase of mercury-containing lights as a casual or isolated sale as defined in RCW 82.04.040.

A violation of this section is punishable by a civil penalty.

Sec. 19 adds a new section to RCW 70A.230. All persons, residents, government, commercial, industrial, and retail facilities and office buildings must recycle their end-of-life mercury-containing lights. No mercury-containing lights may knowingly be placed in waste containers for disposal at incinerators, waste to energy facilities, or landfills. No mercury-containing lights may knowingly be placed in a container for mixed recyclables unless there is a separate location or compartment for the mercury-containing lights that complies with local government collection standards or guidelines.

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 have no expenditure impacts for local government. The penalties established by the bill for the sale of lights containing mercury are civil penalties and thus do not impact local government law enforcement, prosecutors, or defense attorneys.

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.

The legislation would have no revenue impacts for local government.

Please note that court impacts, including judicial costs, clerk costs, and court fees are described in fiscal notes prepared by the Administrative Office of the Courts. Local government fiscal notes include city and county expenditures for law enforcement investigations and arrests, indigent defenders, prosecutors, and jail costs.

SOURCES:
Association of Washington Cities
Washington State Association of Counties

Multiple Agency Ten-Year Analysis Summary

Bill Number	Title
1185 2S HB	Lighting products

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	120,540	164,942	32,096	46,816	0	22,411	0	110,704	497,509
Environmental and Land Use Hearings Office	0	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**120,540**	**164,942**	**32,096**	**46,816**	**0**	**22,411**	**0**	**110,704**	**497,509**

Ten-Year Analysis

Bill Number	Title	Agency
1185 2S HB	Lighting products	100 Office of Attorney General

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

X **No Cash Receipts** ☐ **Partially Indeterminate Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code										

Agency Preparation: Amy Flanigan	Phone: 509-456-3123	Date: 2/1/2024 3:59:25 pm
Agency Approval: Joe Zawislak	Phone: 360-586-3003	Date: 2/1/2024 3:59:25 pm
OFM Review:	Phone:	Date:

Ten-Year Analysis

Bill Number	Title	Agency
1185 2S HB	Lighting products	461 Department of Ecology

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
Mercury-Containing Light Product Stewardship Fee	16T			120,540	164,942	32,096	46,816		22,411		110,704	497,509
Total				**120,540**	**164,942**	**32,096**	**46,816**		**22,411**		**110,704**	**497,509**

	2024-25	2026-27	2028-29	2030-31	2032-33	TOTAL
Biennial Totals		285,482	78,912	22,411	110,704	497,509

Narrative Explanation (Required for Indeterminate Cash Receipts)

Beginning March 1, 2025, and annually thereafter, each SO would be required to pay Ecology an annual fee to cover Ecology's oversight costs (section 7). The revenue would be deposited in the Mercury-Containing Light Product Stewardship Programs Account (section 12).

Ecology assumes the fee paid in March 2025 would be for FY 2026 costs to implement, administer, and enforce the program and would replace the annual fee currently i effect. The annual fee would be based on estimated costs for the coming fiscal year during which the fee is billed. Ecology would be required to adjust the future fee invoi by the difference between the collected annual payment and actual department's costs for a given year.

Cash receipts are assumed to represent the incremental increase in revenue that would be necessary to cover the incremental increase in estimated costs for each fiscal year to implement the bill, beginning in FY 2026. Based on this assumption, revenue estimates are equal to expenditure estimates in the Mercury-Containing Light Produ Stewardship Programs Account each fiscal year, beginning in FY 2026.

Ten-Year Analysis

Bill Number	Title	Agency
1185 2S HB	Lighting products	461 Department of Ecology

Agency Preparation: My-Hanh Mai	Phone: 360-742-6931	Date: 2/1/2024 4:39:59 pm
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 2/1/2024 4:39:59 pm
OFM Review:	Phone:	Date:

Ten-Year Analysis

Bill Number	Title	Agency
1185 2S HB	Lighting products	468 Environmental and Land Use Hearings Office

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

X No Cash Receipts ☐ Partially Indeterminate Cash Receipts ☐ Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code										

Agency Preparation:	Dominga Soliz	Phone:	3606649173	Date:	2/5/2024 11:55:50 am
Agency Approval:	Dominga Soliz	Phone:	3606649173	Date:	2/5/2024 11:55:50 am
OFM Review:		Phone:		Date:	