

Individual State Agency Fiscal Note

Bill Number: 5972 SB 5972-S AMH AGNR H3378.1	Title: Neonicotinoid pesticides	Agency: 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)
Total \$		(50,700)	(50,700)	(101,400)	(101,400)

Estimated Operating Expenditures from:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	2.0	1.0	1.3	1.0
Account					
Model Toxics Control Operating Account-State 23P-1	0	315,360	315,360	389,770	317,120
Total \$	0	315,360	315,360	389,770	317,120

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.

Compared to SSB 5972, SSB 5972 AMH AGNR H3378.1 would expand the restrictions specified in section 2 (1) and add clarifying language referencing section 2 (1) in reference to the exceptions authorized under section 2 (2).

The amendment would not change the fiscal impacts Washington State Department of Agriculture (WSDA) estimated for the previous version of the proposed legislation. However, WSDA has updated assumptions about implementation to ensure the intent of the legislation is met.

Under current law, 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 nonproduction outdoor ornamental plants, trees, and turf in Washington State, except when applied by a licensed applicator, for a tree injection, or during the production of an agricultural commodity, beginning January 1, 2026.

Section 2 (2) would allow the Director of WSDA to authorize sale, possession, or use of neonicotinoid pesticides restricted under section 2 (1) by written order, in the event of an urgent pest threat, and specifies the required contents of the written order.

Section 2 (3) 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 for the purpose of this fiscal note, that it may be necessary to designate many neonicotinoid pesticides as State Restricted Use Pesticides (SRUP), which could impact product registrations.

Washington State currently has 15,600 pesticide products registered.

For purposes of this fiscal note, WSDA assumes 1% of pesticides registered in Washington (156 pesticide products) could 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 year (FY) 2025 and ongoing. 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

Although section 2 (1) would not require WSDA to act on pesticide registration status, WSDA would anticipate compliance issues with proposed use restrictions by non-licensed applicators because there are no restrictions on the distribution or sale of neonicotinoid pesticides in the marketplace.

Based on recent interpretations of the proposed bill's intent, WSDA assumes the need to restrict the distribution and sale of many neonicotinoid pesticides to support the intent and implementation of section 2(1). WSDA would assume this work be done through our standard rule making process.

The use restrictions of neonicotinoid pesticides in section 2 (1) would be the basis for WSDA's decision to designate many neonicotinoids as State Restricted Use Pesticides (SRUP). If a pesticide is designated as an SRUP, then it can only be distributed by a licensed pesticide dealer to licensed applicators. The restriction would require rule-making activities and additional outreach and communication to all distributors of these products.

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 assumes a need for compliance outreach, monitoring, and enforcement of the pesticide use restriction on outdoor plants in Washington. Many neonicotinoid pesticides are currently for use on outdoor plants in ornamental settings. The prohibition of these uses by non-licensed applicators 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. If many neonicotinoid pesticides become designated as State Restricted Use Pesticides (SRUP), then compliance staff would need to conduct outreach, inspections, and enforcement at marketplaces across the state to enforce neonicotinoid pesticide distribution.

Based on the assumptions above, WSDA estimates 1.0 FTE Pesticide Regulatory Specialist 2 (PRS2) ongoing, beginning January 1, 2026, to monitor landscape applications, provide complaint investigation and response, conduct inspections on distribution, 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 FY 2025, WSDA would need 1.0 FTE PRS2 for eighteen months to manage non-SRUP label review and cancellation processing, and an additional 1.0 FTE PRS1 for eighteen months to review for SRUP pesticides and update database entries. Travel costs are estimated for these positions to be \$3,540 in FY 2025 and \$1,770 in FY 2026.

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 \$10,000 and is included in Object E in fiscal year 2025. The cost includes staff time to research and develop proposed rules and costs for hearings.

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

- FY 2024: \$0 and 0.00 FTE
- FY 2025: \$315,360 and 2.00 FTE
- FY 2026: \$231,210 and 1.50 FTE
- FY 2027 and ongoing: \$158,560 and 1.0 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 \$10,000 for moderate 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, and \$9,200 in FY 2027 and ongoing each fiscal year thereafter.

Equipment includes workstation set-up costs of \$5,000 for each position, estimated to be \$10,000 in fiscal year 2025, and \$5,000 in fiscal year 2026.

Agency Administrative Overhead is shown in Object T and 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
23P-1	Model Toxics Control Operating Account	State	0	315,360	315,360	389,770	317,120
Total \$			0	315,360	315,360	389,770	317,120

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29	
FTE Staff Years		2.0	1.0	1.3	1.0	
A-Salaries and Wages		155,190	155,190	198,290	160,920	
B-Employee Benefits		56,670	56,670	71,580	57,660	
C-Professional Service Contracts						
E-Goods and Other Services		37,840	37,840	32,940	26,360	
G-Travel		3,540	3,540	15,570	18,400	
J-Capital Outlays		10,000	10,000	5,000		
M-Inter Agency/Fund Transfers						
N-Grants, Benefits & Client Services						
P-Debt Service						
S-Interagency Reimbursements						
T-Intra-Agency Reimbursements		52,120	52,120	66,390	53,780	
9-						
Total \$		0	315,360	315,360	389,770	317,120

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
PESTICIDE REGULATORY SPECIALIST 1	74,729		1.0	0.5	0.3	
PESTICIDE REGULATORY SPECIALIST 2	80,464		1.0	0.5	1.0	1.0
Total FTEs			2.0	1.0	1.3	1.0

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 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. WSDA assumes rule updates would be needed to align with the requirements of the proposed legislation.