

Multiple Agency Fiscal Note Summary

Bill Number: 2401 E 2S HB AMS ENE S5156.1	Title: Refrigerant gases
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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	0	0	0	1,189,849
Total \$	0	0	0	0	0	0	0	0	1,189,849

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	Fiscal note not available											
Department of Revenue	.2	49,400	49,400	49,400	.0	0	0	0	.1	9,900	9,900	9,900
Department of Ecology	2.2	0	0	746,528	4.5	0	0	1,524,006	3.5	0	0	1,189,849
Environmental and Land Use Hearings Office	.0	0	0	0	.3	81,240	81,240	81,240	.3	79,844	79,844	79,844
Total \$	2.4	49,400	49,400	795,928	4.8	81,240	81,240	1,605,246	3.9	89,744	89,744	1,279,593

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	Fiscal note not available								
Department of Revenue	.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

Estimated Capital Budget Breakout

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Prepared by: Lisa Borkowski, OFM	Phone: (360) 742-2239	Date Published: Preliminary 2/25/2024
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Department of Revenue Fiscal Note

Bill Number: 2401 E 2S HB AMS ENET S5156.1	Title: Refrigerant gases	Agency: 140-Department of Revenue
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1	0.2	0.2		0.1
Account					
GF-STATE-State 001-1	20,300	29,100	49,400		9,900
Total \$	20,300	29,100	49,400		9,900

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: Matthew Shepard-Koningsor	Phone: 60-786-7627	Date: 02/21/2024
Agency Preparation: Sara del Moral	Phone: 60-534-1525	Date: 02/23/2024
Agency Approval: Valerie Torres	Phone: 60-534-1521	Date: 02/23/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/23/2024

Request # 2401-4-2

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.

Note: This fiscal note reflects Senate amendment AMS ENET S5156.1 to E2SHB 2401, 2024 Legislative Session.

This fiscal note only addresses section 19 of the amendment, which impacts the Department of Revenue (department).

COMPARISON OF THE SENATE AMENDMENT WITH THE ENGROSSED SECOND SUBSTITUTE BILL:

The striking amendment eliminates the duplicate exemption for charges to producers by a refrigerant stewardship organization (RSO).

CURRENT LAW:

PRODUCER RESPONSIBILITY AND PRODUCT STEWARDSHIP PROGRAMS

Washington has established several product stewardship programs, which regulate end-of-life management of certain products, such as pharmaceuticals and paint.

Stewardship organizations collect, transport, and provide end-of-life management for products covered under each stewardship program. In most cases, producers must participate in a stewardship organization and pay fees to support its activities.

BUSINESS AND OCCUPATION (B&O) TAX

The B&O tax is a gross receipts tax measured on the value of products, gross proceeds of sale, or gross income of each taxpayer. The tax rate varies by classification. For wholesaling activities, the tax rate equals 0.484%.

Several exemptions are available. However, the law does not allow an exemption for the activities of an RSO.

PROPOSAL:

PRODUCER RESPONSIBILITY FOR REFRIGERANTS

The Department of Ecology (Ecology) must oversee a producer responsibility program for refrigerants. Under the program, producers of these products must participate in an RSO.

The RSO must:

- Collect fees from producers to cover all plan implementation costs.
- Pay financial incentives to distributors, wholesalers, and other entities furnishing recovered covered refrigerants to the program for collection.

B&O EXEMPTION

This amendment exempts the following from B&O tax:

- The receipts of an RSO from charges to participating producers.
- Financial incentive payments received by an entity furnishing recovered covered refrigerants to the program for collection.

The new tax preference performance provisions do not apply to this amendment (see section 19 of the amendment).

DEFINITIONS

The amendment defines a covered refrigerant as any fluorinated regulated refrigerant or substitute used for heat transfer purposes to provide a cooling or heating effect.

The amendment defines a producer as an entity selling or otherwise entering into commerce bulk refrigerants or equipment containing them, such as air conditioning, refrigeration, and heat pumps.

The amendment defines a refrigerant stewardship organization as a producer or nonprofit entity implementing a stewardship plan under this amendment. The stewardship plan includes collecting and managing covered refrigerants and disbursing funds to incentivize enhanced refrigerant recovery, reclamation, and destruction.

EFFECTIVE DATE:

The amendment takes effect 90 days after the final adjournment of the session.

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.

ASSUMPTIONS:

- Current law applies B&O tax to:
 - Amounts received by an RSO.
 - Incentive payments received by partner participants.
- This bill exempts these amounts.

ESTIMATED REVENUES:

This legislation results in a net zero impact on B&O taxes administered by the department.

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.

ASSUMPTIONS:

This bill affects approximately 100 taxpayers.

FIRST YEAR COSTS:

The department will incur total costs of \$20,300 in fiscal year 2024. These costs include:

- Labor Costs – Time and effort equate to 0.11 FTE.
- Create a Special Notice and update information on the department’s website.

- Object Costs - \$6,800.
- Computer system changes, including contract programming.

SECOND YEAR COSTS:

The department will incur total costs of \$29,100 in fiscal year 2025. These costs include:

- Labor Costs – Time and effort equate to 0.2 FTE.
- Gathering requirements; implementation meetings; documenting and testing of system changes.

ONGOING COSTS:

There are no ongoing costs for the 2025-27 biennium. The ongoing costs for the 2027-29 biennium equal \$9,900 and include

examining accounts and making corrections. Time and effort equate to 0.05 FTE.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1	0.2	0.2		0.1
A-Salaries and Wages	8,400	18,400	26,800		5,800
B-Employee Benefits	2,800	6,100	8,900		1,900
C-Professional Service Contracts	6,800		6,800		
E-Goods and Other Services	1,600	3,200	4,800		1,500
J-Capital Outlays	700	1,400	2,100		700
Total \$	\$20,300	\$29,100	\$49,400		\$9,900

III. B - Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
EXCISE TAX EX 2	58,104					0.1
IT B A-JOURNEY	91,968		0.2	0.1		
TAX POLICY SP 2	78,120	0.1		0.0		
TAX POLICY SP 3	88,416	0.0		0.0		
WMS BAND 2	98,456	0.0		0.0		
Total FTEs		0.1	0.2	0.2		0.1

III. C - 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

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2401 E 2S HB AMS ENET S5156.1	Title: Refrigerant gases	Agency: 461-Department of Ecology
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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
Responsible Refrigerant Disposal Account-Non-Appropriated NEW-6					1,189,849
Total \$					1,189,849

Estimated Operating Expenditures from:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	4.3	2.2	4.5	3.5
Account					
Model Toxics Control Operating Account-State 23P-1	0	746,528	746,528	1,524,006	0
Responsible Refrigerant Disposal Account-Non-Appropriated NEW-6	0	0	0	0	1,189,849
Total \$	0	746,528	746,528	1,524,006	1,189,849

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.
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- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 02/21/2024
Agency Preparation: Cristina Steward	Phone: 564-669-1723	Date: 02/23/2024
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 02/23/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/25/2024

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 E2SHB 2401, 2401 E2SHB AMS ENET S5156.1 has the following changes:

Section 17 requires Ecology to establish and provide support to an Advisory Council to consider various topics including: methods to best achieve refrigerant recovery performance targets; improvements for the collection of covered refrigerant; how incentive structures may be improved to maximize the collection of covered refrigerant by service technicians; and potential additional collection site locations.

These changes affect the fiscal impact to Ecology.

Under current law, Ecology implements four extended producer responsibility programs for electronics, paint, photovoltaic modules, and mercury-containing lights. It does not currently have such a program covering refrigerants. State law prohibits the intentional venting of refrigerants, however, the existing statewide Refrigerant Management Program (RMP) covers only refrigeration and air conditioning equipment containing more than 50 pounds charge of refrigerant, without consideration of refrigerant management for equipment with less than this amount. The RMP includes registration, reporting, and recordkeeping requirements for wholesalers, distributors, and reclaimers of refrigerants with a global warming potential (GWP) of greater than 150, but not for fluorinated refrigerants with GWP below 150.

Under current law, significant sources of hydrofluorocarbons and refrigerant emissions in Washington remain unregulated because those quantities are contained in heating and cooling equipment that is not covered by the requirements of the RMP.

This bill would establish the first extended producer responsibility program for bulk refrigerants and precharged equipment containing refrigerants. This bill would make producers responsible for the refrigerants they introduce to the marketplace, set collection targets, and provide financial incentives to help ensure those targets can be met.

Section 3 would establish a requirement that producers of covered refrigerants establish a program to register with Ecology through a refrigerant stewardship organization (RSO) by January 1, 2025. This section would also require that (1) beginning July 1, 2025, producers may not sell bulk covered refrigerants or precharged equipment containing covered refrigerants unless participating in a registered RSO, (2) partner participants must register with an RSO by December 1, 2027—they are not required to fund the RSO, but may receive the incentive payments and they must keep records for the RSO—and (3) producers must implement the plan by January 1, 2028.

Section 4 would define the Stewardship Plans that RSOs are required to submit to Ecology by May 1, 2027 and every five years thereafter. Ecology would have 120 days from plan submission to review and approve the plans. This section would encourage the use of fee modulation to incorporate incentives for the recovery of refrigerants in a way that prioritizes reclamation and reuse. Ecology would be able to amend the plan and require the RSO to implement the plan as amended, list circumstances for new plan submittal and require new plans no less than every five years.

Section 5 would establish performance measures for the RSO to define progress in implementing the program. This section would (1) require RSO to set interim targets in plan (towards 2032 goal), (2) require RSO to achieve a 70% recovery rate in 2032 and every year thereafter, (3) allow Ecology to review and be authorized to adjust targets in years beyond 2032, (4) allow Ecology to define specific additional reporting requirements to aid calculations, and (5) require Ecology to publish an report assessing performance of RSO(s) by October 1, 2029 and annually thereafter.

Section 6 would create a collection and management process to implement the RSO collection of all covered refrigerants under the procedures outlined in this bill. This section would declare that (1) no fee may be charged at time of collection, (2)

an incentive must be paid to a service technician who recovers refrigerant, (3) convenience standards for bulk refrigerant are one per county unless granted a waiver, (4) who may serve as a collection site: distributors, wholesalers, retailers that sell precharged equipment, local governments or nonprofits that operate solid waste facilities, (5) the program must manage consistent with federal standards or rules updated by the department, and (6) collection sites must comply with criteria or can be terminated.

Section 7 would define the required elements of an education and outreach program that an RSO must carry out to support plan implementation. Elements include but are not limited to (1) promotional activities in support of plan implementation (website, press releases, social media, etc.) and (2) outreach materials to all collection sites and retailers who sell precharged equipment, targeted to service technicians. This section would also direct that during the first year of program and every five years thereafter, the RSO would be required to survey partner participant awareness and share the results with Ecology. Ecology would be authorized to share the results of the RSO surveys with the public. This section also states that if multiple RSOs are implementing plans then those RSOs must coordinate public outreach and education responsibilities listed in this section and include a summary of those activities in their annual reports to Ecology.

Section 8 would outline the financial requirements of the RSO that implements this bill. The RSO would be required to ensure that adequate funding is available to implement the stewardship plan and aspects of the plan that address and/or establish (1) the collection of recovered refrigerants, (2) education and outreach, (3) annual reporting to Ecology, (4) payments of a financial incentive to certified technicians for delivery of recovered refrigerants for reclamation, (5) payments for services, and (6) payment of administrative fees to Ecology. The RSO would propose to Ecology an initial rate per pound of covered refrigerant to calculate the charges due from producers to the RSO in the first year of the program and Ecology may approve that rate based on consideration of the experiences of other jurisdictions and that the proposed rate will be sufficient for the RSO to achieve the performance targets established in section 5 and to carry out the other obligations of the RSO. Each year beginning in 2029, the RSO may adjust the rate based on a weighted methodology using the global warming potential of each covered refrigerant and use eco-modulated fees to encourage the use of design attributes that reduce environmental impacts.

An RSO would be responsible for all costs of recovered covered refrigerant collection education, administration, and agency reimbursement in accordance with best environmental management practices. The RSO would not be authorized to reduce or cease collection, education, outreach, or other activities under an approved plan based on the achievement of performance goals defined under section 5 of this bill. An RSO would also be required to propose an incentive payment in its plan and must demonstrate to Ecology that it is sufficient to meet criteria established under this act. The incentive payment may vary (type of refrigerant, purity etc.) and the RSO must reimburse demonstrable costs to collection sites. This section would also declare that the intent is not to incentivize refrigerant destruction and that on or after January 1, 2035, Ecology would be authorized to establish a rule to set an incentive for destruction. If multiple RSOs are registered in the state that they would be required to coordinate to ensure non-duplicated reporting of data and that different RSOs do not subsidize another RSO through overpayment of incentives.

Section 9 would define the role of retail establishments selling precharged refrigerant equipment to include that (1) retailers do not sell precharged equipment containing covered refrigerant after July 1, 2028 unless the producer is participating in an RSO defined under this act, (2) the retailer would check a list posted on the Ecology website to confirm the precharged equipment they are selling is compliant, (3) becoming a collection site is optional, and, (4) the retailer must provide consumers with education materials regarding the climate impacts of refrigerants, available end-of-life management options for covered refrigerants, and choosing service technicians participating in the program. This section would prohibit retail establishments, refrigerant service providers, producers, or an RSO from charging a point-of-sale fee to consumers to cover administrative or operational costs of an RSO or the program.

Section 10 would establish reporting and recordkeeping requirements for RSOs, producers, and participants. This section would require (1) an RSO to submit an annual report to Ecology beginning June 1, 2029 and each June 1st thereafter, (2) listed elements under this section to be included in the annual report, (3) additional information determined by Ecology under rules adopted by Ecology, and, (4) on March, June, September and December 1st of each year that an RSO implements a

program, the RSO must provide Ecology with lists of producers, brands, and models for posting via agency website. This section would also require partner participants to keep records necessary for the RSO to comply with reporting requirements under section 5 of this act. The partner participants would be required to report to the RSO by March 31 each year an RSO implements a program, keep records for a period of five years, include distributors and wholesalers' sales activity and require distributors and wholesalers to include attestations by service technicians. To the extent feasible, recordkeeping and reporting requirements applicable to partner participants would need to be harmonized with requirements under chapter 70A.60 RCW and required by the United States Environmental Protection Agency. Ecology may require submission of any records under this section at any time.

Section 11 would authorize the RSO to request that information or records be made available for the confidential use of Ecology, the Director of Ecology, or the appropriate division of Ecology. The Director of Ecology must consider this request to ensure this action would not be detrimental to the public interest and ensure conformance with chapter 43.21A RCW before approving such a request from an RSO.

Section 12 would define the roles and responsibilities of Ecology under this act. Ecology would be required to implement, administer, and enforce this chapter to include (1) adopting rules by December 31, 2026, (2) ensuring consistency with federal law and if federal definitions change, Ecology must notify the Legislature to request changes to the statute, (3) setting an annual fee by April 1, 2027 and annually thereafter, (4) addressing agency fees and process through adoption of rules, (5) reviewing and approval of plans within 120 days, (6) making plans available for public review and comment for a minimum of 30 days, (7) amending insufficient plans and requiring an RSO to implement as amended, (8) reviewing and approving all annual reports within 120 days, (9) making all annual reports available for public review and comment for a minimum of 30 days, (10) granting infeasibility waivers consistent with section 6 of this act regarding the convenience standard, (11) creating and maintaining a website to include a list of producers, participants, brands and models of precharged equipment, and, (12) serving as a coordinating body should RSOs request Ecology to serve that function.

Section 13 would authorize Ecology to impose civil penalties or issue orders requiring compliance with this act. This section would establish penalties from \$1,000 to \$10,000 per violation per day to any person who violates this chapter, would require Ecology to issue warnings before issuing any penalties and direct that all penalties collected would be deposited into the Model Toxics Control Operating Account. Ecology would be authorized to revoke a plan and require an RSO to implement a contingency plan.

Section 14 would direct that producers and RSOs acting on behalf of producers that prepare, submit and implement a refrigerant stewardship plan pursuant to this chapter and are subject to regulation by Ecology are granted immunity from state laws relating to antitrust, restraint of trade, unfair trade practices and other regulation of trade or commerce. This immunity is for the limited purpose of planning, reporting, and operating a stewardship program, including (1) the creation, implementation, or management of the RSO and any plan submitted, denied, or approved; (2) the cost and structure of an RSO plan; and (3) the types and quantities of covered refrigerants being recycled or otherwise managed pursuant to this chapter.

Section 15 would establish the Responsible Refrigerant Disposal Account in the custody of the State Treasurer. This section would direct that all receipts from section 12 of this act be deposited to the account and that expenditures from the account may only be used for administering, implementing, and enforcing the requirements of this chapter.

Section 16 would prohibit the RSO from using funds collected for the purpose of implementing a plan required under this chapter for (1) the payment of an administrative penalty, (2) administrative appeals, (3) litigation between an RSO and the state, (4) compensation of a person primarily representing an RSO to influence legislation being considered by a government entity, and (5) paid advertisements related to influencing legislation under consideration by the Legislature or that was considered during the previous session.

Section 17 would require Ecology to develop an Advisory Council that must consider certain issues and provide recommendations to Ecology on a regular basis. Topics for the Council would include methods to best achieve refrigerant

recovery performance targets, improvements for the collection of covered refrigerant, how incentive structures may be improved to maximize the collection of covered refrigerant by service technicians, and potential additional collection site locations. Ecology would be required to appoint members to the Council by September 1, 2024, and provide ongoing staff support and facilitation as needed for the Council to carry out its duties.

Section 19 would add a new section to chapter 82.04 RCW to provide exemptions from business and occupation taxes on receipts of an RSO from participating producers, chargers to producers by an RSO under a stewardship plan, and financial incentive payments received by partner participants under section 8. This section does not apply to the tax requirements under RCW 82.32.805 and 82.32.808 and is not subject to an expiration date.

Section 21 would amend RCW 43.21B.300 to include civil penalties issued under section 13 of this act to be imposed by notice in writing by personal service or certified mail with return receipt requested.

Section 23 would declare that if any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

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 greater than \$50,000 beginning in Fiscal Year (FY) 2028 and thereafter for section 12.

Fee Revenue – Responsible Refrigerant Disposal (RRD) Account

Section 12 (2) would require Ecology to determine the annual fee payment by April 1, 2027, and annually thereafter to implement, administer, and enforce the chapter established in the bill. Ecology would be required to adjust future billings based on the difference between fee revenue collected minus actual costs for the previous fiscal year.

Ecology assumes the first fee collections would be for FY 2028 (billed in FY 2027). Ecology assumes one RSO would be subject to the annual payment to support Ecology's estimated costs. Fee revenue would be deposited in the RRD Account. For purposes of this fiscal note, revenue from fee collections is shown in the same year as estimated costs in the RRD Account and is assumed to be equal to estimated costs.

Estimated RRDA Revenue:

FY 2028: \$603,828

FY 2029: \$586,021

Penalties

Section 13 would authorize civil penalties for non-compliance. Ecology would be required to provide written warning as specified in the section before assessing a penalty. Penalties would be deposited in the Model Toxics Control Operating Account.

Ecology would work with the RSOs and producers, when applicable, to bring them into compliance. 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 2025 and ongoing to implement the requirements of sections 2-6, 8, 10-13, and 17.

Costs in FY 2025 through FY 2027 are estimated in the MTCA-Operating Account. MTCA supports the state's responsibility for solid waste management, regulation, enforcement, technical assistance, and public education under chapter 70A.205 RCW. Ecology assumes expenditures in the Responsible Refrigerant Disposal (RRD) Account would begin in FY 2028 and ongoing each fiscal year thereafter.

STEWARDSHIP PLAN REVIEW & APPROVAL (Sections 4, 11, and 12)

Section 4 would require each refrigerant stewardship organization (RSO) to submit a plan to Ecology by May 1, 2027. Ecology would have 120 days to review the plan to ensure it adequately addresses the required components as outlined in the bill. Ecology assumes one RSO would submit a plan on behalf of both bulk refrigerant producers and precharged equipment producers. Ecology assumes the RSO would request that portions of their plan be protected as confidential business information. Ecology assumes that the initial stewardship plan would be approved and that amendment by Ecology would not be required.

Based on experience implementing the other stewardship programs, Ecology assumes one plan would be reviewed in FY 2027 and finished in FY 2028, and every five years thereafter, and that each plan review would require the same level of effort. Ecology estimates that 0.20 FTE Environmental Planner 4 (EP-4) in FY 2027 and 2028 (and every five years thereafter) would review the stewardship plan and facilitate the process for confidentiality requests.

Section 6 would allow RSOs to submit an infeasibility waiver if they are unable to meet the convenience standard prescribed in the law. It is unlikely that the RSO would be able to establish a refrigerant collection site in all thirty-nine counties of the state, so Ecology assumes the RSO would submit an infeasibility waiver with their initial stewardship plan. Ecology estimates 0.10 FTE Environmental Planner 4 in FY 2028 (and every five years thereafter) would need to review and approve this infeasibility waiver.

All plans received would need to be posted for public review and comment. Ecology estimates 0.03 FTE EP-4 and 0.03 FTE Communications Consultant 3 (CC-3) in FY 2027 (and every five years thereafter) to post the plan for public comment and respond to comments received.

ANNUAL FEES (Section 12)

Section 12 would require Ecology to determine the annual fee payment by April 1, 2027, and annually thereafter to implement, administer, and enforce the chapter established in the bill. Ecology would be required to adjust future billings based on the balance of available fee revenue relative to actual expenditures. To determine the annual fee and invoice for payment, Ecology estimates 0.05 FTE Budget Analyst 4 (BA-4) and 0.01 FTE Environmental Planner 4 (EP-4) in FY 2027, and 0.02 FTE BA-4 and 0.01 EP-4 each year in FY 2028 and ongoing.

EDUCATION & OUTREACH (Section 12)

Section 12 would require Ecology to create and maintain a website related to this program, and post and maintain a list of producers, brands and models covered by an approved refrigerant stewardship plan. This information would be reported to Ecology and updated on the website on a quarterly basis. Ecology estimates 0.25 FTE Communications Consultant 3 (CC-3) in FY 2025 to create the new website, and 0.15 FTE CC-3 in FY 2026 and ongoing each fiscal year thereafter to maintain and update the website.

ANNUAL REPORT REVIEW & APPROVAL AND ECOLOGY REPORT (Sections 2, 5, 10, 11, and 12)

Section 10 would require each RSO to submit a report to Ecology by June 1, 2029, and annually thereafter. Section 12

would require Ecology to post annual reports for public comment and review them within 120 days. Ecology assumes one annual report would be submitted by the RSO by June 1, 2029. Based on the report requirements in section 10, Ecology assumes the annual report review would require considerable analysis. Ecology assumes the RSO would request confidentiality for parts of their annual report.

Ecology estimates 0.16 FTE Environmental Planner 4 (EP-4) beginning in FY 2029 and ongoing each fiscal year thereafter would be required to review these reports and facilitate the process for confidentiality requests.

All reports received would need to be posted for public review and comment. Ecology also estimates 0.03 FTE EP-4 and 0.03 FTE Communications Consultant 3 (CC-3) in FY 2029 and ongoing each fiscal year thereafter to post the plan for public comment and respond to comments received.

Section 7 would require the RSO to conduct an awareness survey during the first year of implementation and every five years thereafter. Ecology assumes the results of the first awareness survey would be submitted with the first annual report. Ecology would review the awareness survey results submitted by the RSOs beginning with the first annual report submittal in FY 2029. Ecology estimates 0.02 FTE Environmental Planner 4 (EP-4) in FY 2029 and every five years thereafter to review the public awareness survey results.

Section 5 would require Ecology to publish an annual report assessing the performance of the RSO and the program by October 1, 2029, and annually thereafter. Ecology assumes this report would be based on information provided by the RSO in their annual report (submitted June 1, 2029). Ecology assumes 0.10 FTE Environmental Planner 4 (EP-4) would begin work on Ecology's report in FY 2029, but work would ramp up and continue in FY 2030 and annually thereafter.

TECHNICAL ASSISTANCE, GENERAL OVERSIGHT, AND PRODUCER REGISTRATION

Based on experience implementing other extended producer responsibility programs, Ecology assumes technical assistance would be requested by stewardship organizations, local governments with programs that collect precharged equipment, refrigeration technicians and other precharged equipment service providers, refrigerant and precharged equipment producers, precharged equipment retailers, refrigerant wholesalers and distributors, hazardous waste companies, refrigerant reclaimers, and the general public. Ecology assumes technical assistance would begin immediately and the level of effort would increase as rulemaking progresses.

Ecology estimates 0.5 FTE Environmental Planner 4 (EP-4) in FY 2025 and ongoing each fiscal year thereafter.

This position would be the technical and policy lead on refrigerant recovery and reclamation and would strategically plan guidance updates based upon best available science. Ecology would be responsible for ensuring a strong understanding of the extended producer responsibility programs, refrigerant recovery, service technician operating patterns to align recovery into their business practices, and reclamation strategies and emerging science. Ecology would have oversight responsibilities for stewardship organizations and would require reach, training and coordination to gain an understating of standard business practices before the required compliance period.

Ecology estimates for this work would require 0.5 FTE Environmental Planner 4 (EP -4) in FY 2025 and ongoing would work as the subject matter expert providing subject matter expertise on Extended Producer Responsibility programs, recovery and reclamation, and to provide technical support for rule development and stakeholder engagement on these activities. Once compliance requirements began, the EP-4 would begin coordination and oversight of the refrigerant stewardship organization (Sec 5, 8 and 10) implementation. Upon implementation this position would also perform compliance and enforcement duties (Section 13).

Technical assistance would be needed to support development of guidance for businesses regulated under the state dangerous waste regulations, WAC 173-303. Stewardship organizations and their collectors, transporters and processors would also need technical assistance related to regulations developed for this program and WAC 173-303. Ecology

estimates 0.10 FTE Regulatory Analyst 3 (RA-3) beginning in FY 2025 through FY 2027, increasing to 0.30 FTE RA-3 just prior to and during the first year of program implementation in FY 2028 and FY 2029, and leveling off to 0.20 FTE RA-3 in FY 2030 and ongoing each fiscal thereafter.

Technical assistance would be needed to ensure applicable statutes and federal requirements are followed during ongoing implementation and assist in reviewing annual reports to evaluate refrigerant recovery metrics, and compliance other state rules. Ecology estimates 0.20 FTE Environmental Planner 5 (EP-5) in FY 2025 through FY 2026, increasing to 0.50 FTE EP-5 just prior to and during the first year of program implementation in FY 2028 and FY 2029, and leveling off to 0.20 FTE EP-5 in FY 2030 and ongoing each fiscal year thereafter.

Section 3 would require each bulk refrigerant producer and each precharged equipment producer to register with Ecology via a RSO by January 1, 2025. Ecology assumes one RSO would register on behalf of both groups of producers. Since only one RSO is anticipated, Ecology does not expect to develop an information technology system to process registrations. Instead, Ecology assumes registrations to be conducted via email correspondence.

Based on experience implementing other stewardship programs, Ecology estimates 0.01 FTE Environmental Planner (EP-4) in FY 2025 would handle registration activities.

COMPLIANCE & ENFORCEMENT (Section 13)

Section 13 would authorize Ecology to issue an order requiring compliance or impose a civil penalty of up to \$1,000 per violation per day for a single violation or up to \$10,000 per violation per day for repeated violations or failure to comply with an issued order. Ecology would issue warning letters and provide technical assistance to support compliance before taking enforcement action. We assume producers, refrigerant stewardship organizations, and retailers would be mostly compliant and estimate issuing two warning letters per year. Ecology assumes developing enforcement guidance would be necessary.

Ecology estimates 0.10 FTE Environmental Planner 4 (EP-4) in FY 2027 to develop an enforcement guidance document.

Ecology assumes there would be compliance monitoring in FY 2025 to ensure RSOs and producers are properly registered, and that routine compliance work would begin in FY 2028. Based on experience implementing other stewardship programs, Ecology assumes site visits to collection sites or processors. Ecology estimates 0.01 FTE Environmental Planner 4 (EP-4) in FY 2025 and then 0.50 FTE Environmental Planner 4 beginning in FY 2028 and ongoing each fiscal year thereafter.

RULEMAKING (Sections 6, 8, 10 and 12)

Section 12 would require Ecology to adopt rules as necessary for the purpose of implementing, administering, and enforcing the chapter, including setting the agency's fees. In addition to section 12, rulemaking is specifically called out in section 6 (Ecology must update WAC 173-443-205 to maintain consistency with any changes in federal regulations), section 8 (Ecology may by rule, set an incentive for destruction of covered refrigerants), and section 10 (Ecology may require additional information in annual reports). The rule will also need to harmonize recordkeeping and reporting requirements for certain participants with existing requirements under state and federal law [Section 10(3)].

Ecology assumes rulemaking would be required to provide additional clarity and guidance to refrigerant stewardship organizations developing programs. Other topics that might be addressed in rule include further clarifying: responsible producers, plan requirements, interim performance targets, an infeasibility waiver process, calculations for recovery rates, and review processes for producer fee rates and incentives payment amounts. Ecology assumes we would perform an Environmental Justice (EJ) Assessment in FY 2025 as required under the HEAL Act, Chapter 70A.02 RCW.

Based on previous experiences implementing other product stewardship programs, Ecology assumes a two-year highly technical rule-making process would be required. Ecology assumes rulemaking would begin January 1, 2025 (FY 2025) and be completed with rule adoption December 31, 2026 (FY 2027).

Ecology assumes three public meetings when developing draft rule language with a webinar option, and three public hearings for the proposed rule language.

Rulemaking Administrative Coordinator: A Regulatory Analyst 3 (RA-3) would oversee the rulemaking process to comply with the Administrative Procedures Act; coordinate with the rulemaking lead to prepare the rule development and communication plan; coordinate with the agency regulatory staff on the economic and regulatory impact analysis, and support filing the CR-101, CR-102, and the CR-103 for adoption. This would require an estimated workload of 0.10 FTE RA-3 in FY 2025, 0.13 FTE RA3 in FY 2026, and 0.10 FTE RA-3 in FY 2027.

Rulemaking Lead: An Environmental Planner 4 (EP4) would provide policy expertise and lead the rulemaking effort, coordinating with interested parties to draft and revise rule language, lead public meetings and hearings, and work with other program staff as needed to execute the rule development plan and perform an EJ assessment, with an estimated workload of 0.70 FTE EP-4 in FY 2025, 0.94 FTE EP-4 in FY 2026, and 0.23 FTE EP-4 in FY 2027.

A subject matter expert would advise on the technical aspects of extended producer responsibility and appliance management. This is estimated to require 0.30 FTE Environmental Specialist 5 (ES-5) in FY 2025, 0.40 FTE ES-5 in FY 2026, and 0.10 FTE ES-5 in FY 2027.

A subject matter expert would advise on application of the state's dangerous waste regulation WAC 173-303 specifically the handling of refrigerant materials collected. This is estimated to require 0.19 FTE Regulatory Analyst 3 (RA-3) in FY 2025, 0.31 FTE RA-3 in FY 2026, and 0.06 FTE RA-3 in FY 2027.

A subject matter expert would advise on application of the Washington Clean Air Act (Chapter 70A.15 RCW) and Chapter 70A.60 RCW regarding hydrofluorocarbons emissions reduction to refrigerant collection. This is estimated to require 0.30 FTE Environmental Planner 5 (EP-5) in FY 2025, 0.40 FTE EP-5 in FY 2026, and 0.10 FTE EP-5 in FY 2027.

Based on previous rulemaking experience and the magnitude of interested parties and affected stakeholders, communications and outreach support are included to ensure robust public engagement in the rulemaking process. The following positions would support public engagement:

A Communications lead would coordinate an outreach strategy and media engagement. This would require 0.10 FTE Communications Consultant 5 (CC-5) in FY 2025, 0.13 FTE CC-5 in FY 2026, and 0.03 FTE CC-5 in FY 2027.

A Website developer would coordinate with the rulemaking lead on a public website for the rulemaking process. This would require 0.10 FTE Communications Consultant 3 (CC-3) in FY 2025, 0.13 FTE CC-3 in FY 2026, and 0.03 FTE CC-3 in FY 2027.

An outreach coordinator would organize public meetings, prepare informational materials, and respond to stakeholder questions throughout the rulemaking process. This would require 0.10 FTE Community Outreach & Environmental Education Specialist 3 (COEES-3) in FY 2025, 0.13 FTE COEES-3 in FY 2026, and 0.03 FTE COEES-3 in FY 2027.

The following positions would complete an economic and regulatory analysis of the rule: Economic Analyst 3, 0.25 FTE in FY 2027; Regulatory Analyst 2, 0.10 FTE in FY 2027.

Ecology would hold two meetings in FY 2026 to gather input from stakeholders and develop the Environmental Justice Assessment, and one meeting and three hearings in FY 2027 to accept comments on the rule proposal.

Goods and services estimates include facility rental costs estimated at \$1,000 per meeting for a total of \$2,000 in FY 2026 and \$4,000 in FY 2027.

ATTORNEY GENERAL LEGAL SUPPORT

Section 12(1) would require Ecology to adopt rules as necessary to implement, administer, and enforce the requirements of the bill. We assume this rulemaking would be highly technical and legally complex and take two years to complete. The rule would need to establish procedures and criteria for the review, approval, and revision of refrigerant stewardship plans in section 4 and for the issuance of infeasibility waivers in section 12(5) in addition to provisions regarding fees in section 12(2), reporting in sections 5(4), 10, and 13(2)(d), and enforcement in section 13. We assume substantial legal advice would be needed throughout the rulemaking process to ensure consistency with existing state and federal laws as well as new federal rules that are currently in the proposal phase. For example, the rule would need to harmonize the confidentiality provisions of section 11 with federal law that prohibits states from making “emissions data” confidential. In addition, this rulemaking may need to amend a provision of Ecology’s existing HFC rule, WAC 173-443-205, in order to maintain consistency with updated federal regulations as provided in section 6(4).

AGO support is estimated at 0.06 AAG FTE for a total of \$18,000 in FY 2025, 0.10 AAG FTE for a total of \$30,000 in FY 2026, 0.05 AAG FTE for a total of \$15,000 in FY 2027, and \$7,000 for 0.025 AAG FTE in FY 2028 and ongoing.

ADVISORY COUNCIL (Section 17)

Section 17 would require Ecology to develop an Advisory Council that must consider certain issues and provide recommendations to Ecology on a regular basis. Ecology would be required to appoint members to the Council by September 1, 2024 [Section 17(2)] and provide ongoing staff support and facilitation as needed for the Council to carry out its duties [Section 17(7)(a)]. We assume the Advisory Council would be considered a class one group under Chapter 43.03 RCW. We assume legal advice would be needed to support Ecology’s appointment of Council members and to support Ecology’s ongoing engagement with the Council, including review and evaluation of the recommendations that must be regularly provided to Ecology [Section 17(6)(a)].

Section 17 would require oversight of an Advisory Council, meeting participation and facilitation, review of Council recommendations, and general Council support. Ecology estimates 0.30 FTE Environmental Planner 4 (EP-4) in FY 2025 and ongoing.

In addition, Ecology assumes we would contract for Advisory Council facilitation, recommendation planning, and Council support. Based on similar facilitation contracts, Ecology estimates \$75,000 in FY 2025 and \$50,000 in FY 2026 and ongoing.

SUMMARY: The expenditure impact to Ecology under this bill is described below:

Program Oversight is estimated to require:

FY 2025: \$270,022 and 1.8 FTEs

FY 2026: \$253,162 and 1.7 FTEs

FY 2027: \$383,431 and 2.5 FTEs

FY 2028: \$494,019 and 3.2 FTEs

FY 2029: \$476,212 and 3.1 FTEs

Rulemaking & AGO support is estimated to require:

FY 2025: \$348,697 and 2.2 FTEs

FY 2026: \$482,494 and 3.0 FTEs

FY 2027: \$199,301 and 1.2 FTEs

FY 2028: \$7,000

FY 2029 and ongoing: \$7,000

Advisory Council:

FY 2025: \$127,809 and 0.3 FTEs

FY 2026 and ongoing: \$102,809 and 0.3 FTEs

THE TOTAL EXPENDITURE IMPACT to Ecology under this bill is estimated to be:

FY 2025: \$746,528 and 4.3 FTEs

FY 2026: \$838,465 and 5.0 FTEs

FY 2027: \$685,541 and 4.0 FTEs

FY 2028: \$603,828 and 3.5 FTEs

FY 2029: \$586,021 and 3.4 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. AGO costs are included of \$18,000 in FY 2025, \$30,000 in FY 2026, \$15,000 in FY 2027, and \$7,000 in FY 2028 and thereafter. \$2,000 in FY 2026 and \$4,000 in FY 2027 is included for rulemaking facility and facilitation costs. Contracted services for Advisory Council facilitation, recommendation planning, and Council support are included of \$75,000 in FY 2025 and \$50,000 in FY 2026 and ongoing.

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
23P-1	Model Toxics Control Operating Account	State	0	746,528	746,528	1,524,006	0
NEW-6	Responsible Refrigerant Disposal Account	Non-Appropriated	0	0	0	0	1,189,849
Total \$			0	746,528	746,528	1,524,006	1,189,849

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		4.3	2.2	4.5	3.5
A-Salaries and Wages		354,848	354,848	745,940	584,815
B-Employee Benefits		121,003	121,003	254,369	199,422
E-Goods and Other Services		115,740	115,740	198,292	150,709
G-Travel		8,295	8,295	17,249	13,389
J-Capital Outlays		4,838	4,838	10,061	7,809
9-Agency Administrative Overhead		141,804	141,804	298,095	233,705
Total \$	0	746,528	746,528	1,524,006	1,189,849

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
BUDGET ANALYST 4	91,073				0.0	0.0
COM OUTRCH & ENV ED SP 3	67,717		0.1	0.1	0.1	
COMM CONSULTANT 3	71,149		0.4	0.2	0.3	0.2
COMM CONSULTANT 5	93,349		0.1	0.1	0.1	
ECONOMIC ANALYST 3	95,627				0.1	
ENVIRONMENTAL PLANNER 4	95,650		2.0	1.0	2.1	2.1
ENVIRONMENTAL PLANNER 5	105,612		0.5	0.3	0.6	0.5
ENVIRONMENTAL SPEC 5	95,387		0.3	0.2	0.3	
FISCAL ANALYST 2			0.4	0.2	0.4	0.3
IT APP DEV-JOURNEY			0.2	0.1	0.2	0.2
REGULATORY ANALYST 2	88,798				0.1	
REGULATORY ANALYST 3	100,521		0.4	0.2	0.4	0.3
Total FTEs			4.3	2.2	4.5	3.5

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 12 would require Ecology to adopt rules as necessary for the purpose of implementing, administering, and enforcing the chapter, including setting the agency's fees.

Ecology assumes a two-year highly technical rule-making process would be required. Ecology assumes rulemaking would begin January 1, 2025 (FY 2025) and be completed with rule adoption December 30, 2026 (FY 2027).

Individual State Agency Fiscal Note

Bill Number: 2401 E 2S HB AMS ENET S5156.1	Title: Refrigerant gases	Agency: 468-Environmental and Land Use Hearings Office
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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	0.3	0.3
Account					
General Fund-State 001-1	0	0	0	81,240	79,844
Total \$	0	0	0	81,240	79,844

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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 02/21/2024
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 02/22/2024
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 02/22/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/25/2024

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.

This bill establishes a program for reducing refrigerants and setting forth registration, reporting, and fee requirements as well as penalties for noncompliance. The bill aims to reduce refrigerants by achieving a 70% annual recovery rate by 2032 and each year thereafter. Registration, fees, and reporting start earlier. Ecology is given authority to issue penalties/orders for violations.

Sec. 3 – Jan 1, 2025, producers of refrigerants must register with the Ecology and be in an approved stewardship organization. December 1, 2027, resellers/distributors must register with the stewardship organization. Jan 1, 2028, producers must implement approved plans.

Sec. 4 – May 1, 2027, stewardship organizations must submit a plan to Ecology.

Sec. 5 – Requires stewardship organizations to set annual performance targets, reaching 70% by 2032 and each year thereafter.

Sec. 10 – June 1, 2029, stewardship organizations must start submitting annual reports of the previous year. Beginning in program year 2028, stewardship organizations, distributors, and wholesalers must report.

Sec. 11 – Protection of confidential/business sensitive information.

Sec. 12 – Ecology shall adopt rules to implement, administer, and enforce this chapter, including fees for the 2027 program year.

Sec. 13 – Ecology may impose civil penalties and may issue orders. The Pollution Control Hearings Board (PCHB) has appeal authority over penalties and orders.

Sec. 17 – Advisory Council created.

Sec. 20 – Includes PCHB authority in RCW 43.21B.110(1)(a) and (b) to hear appeals of penalties and orders issued pursuant to Sec. 13.

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.

No change to impacts from previous version.

ELUHO estimates 2 average complexity appeals per year beginning FY26 until Jan 2034 resulting from this bill, following rules development and enforcement. Beginning January 2034, ELUHO estimates the impact from this bill will increase to a total of 6 average complexity appeals per year following the reporting of 2032 progress to targets.

ELUHO estimates each appeal resulting from this bill will require approximately 230 hours of Administrative Appeals Judge (AAJ) work to complete (110 pre-hearing hours + 120 hearing and post-hearing hours) x 2 appeals beginning in FY26, ongoing to Jan 2034.

230 hours/appeal x 2 appeals = 460 AAJ hours in FY26, ongoing to Jan 2034.

230 hours/appeal x 6 appeals = 1,380 AAJ hours beginning Jan 2034, ongoing.

Assume New AAJ FTE: The PCHB will need approximately 0.25 FTE in FY26, ongoing until Jan 2034 and 0.5 AAJ FTE beginning in Jan 2034, ongoing. The AAJ will have knowledge of environmental law to assist with these new cases, based on the estimated number of AAJ hours per year. RCW 43.21B.005(2) authorizes the ELUHO director to appoint such AAJs to assist the PCHB. The AAJ FTE will not serve as a member of the Boards, but will conduct legal research and writing, preside over cases, mediate cases, draft Board materials, and perform other legal duties to assist the Board.

Beginning in FY25 an AAJ will make \$117,840 per year, plus related benefits estimated at \$34,945 per year, at projected benefits rates. The agency needs 0.25 FTE AAJs in FY26, so the salary would be \$117,840 x .25 FTE = \$29,460, per FY, in FY26 until Jan 2034. Related benefits would total \$8,736, beginning FY26 until Jan 2034.

Beginning January 2034, 0.5 AAJ FTE is needed so the salary would be \$117,840 x .5 FTE = \$58,920, per FY, ongoing. Related benefits would total \$17,472, per FY, ongoing.

Goods and services for the total 0.25 FTE are estimated at \$1,360 per year in FY26, ongoing until Jan 2034. Goods and services would increase to \$2,720 per year beginning in Jan 2034, ongoing. Goods and services include communications, payroll processing, training, and other staff costs. Estimates include some travel at the low cost per diem rates totaling \$366 per year. Also included is one time equipment costs for furniture and computers totaling \$1,396 in FY26.

Assume office space needed: Currently, ELUHO leases space on the top floor of the State Parks building, Parsons Plaza, with lease expiring in FY26. We assume the ELUHO office will move to a state-owned facility and offices will be needed for the additional 0.25 and then 0.5 AAJ FTE.

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	0	0	81,240	79,844
Total \$			0	0	0	81,240	79,844

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years				0.3	0.3
A-Salaries and Wages				58,920	58,920
B-Employee Benefits				17,472	17,472
C-Professional Service Contracts					
E-Goods and Other Services				2,720	2,720
G-Travel				732	732
J-Capital Outlays				1,396	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	0	0	81,240	79,844

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
Administrative Appeals Judge	117,840				0.3	0.3
Total FTEs					0.3	0.3

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.



Multiple Agency Ten-Year Analysis Summary

Bill Number 2401 E 2S HB AMS ENET S5156.1	Title Refrigerant gases
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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
Department of Revenue	0	0	0	0	0	0	0	0	0	0	0
Department of Ecology	0	0	0	0	603,828	586,021	586,021	586,021	586,021	586,021	3,533,933
Environmental and Land Use Hearings Office	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	603,828	586,021	586,021	586,021	586,021	586,021	3,533,933



Ten-Year Analysis

Bill Number 2401 E 2S HB AMS ENET S5156.1	Title Refrigerant gases	Agency 140 Department of Revenue
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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**

Name of Tax or Fee	Acct Code												
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Agency Preparation: Sara del Moral	Phone: 360-534-1525	Date: 2/23/2024 11:15:18 an
Agency Approval: Valerie Torres	Phone: 360-534-1521	Date: 2/23/2024 11:15:18 an
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 2401 E 2S HB AMS ENET S5156.1	Title Refrigerant gases	Agency 461 Department of Ecology
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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
Responsible Refrigerant Disposal Fee	NEW					603,828	586,021	586,021	586,021	586,021	586,021	3,533,933
Total						603,828	586,021	586,021	586,021	586,021	586,021	3,533,933
Biennial Totals						1,189,849	1,172,042	1,172,042	1,172,042			

Narrative Explanation (Required for Indeterminate Cash Receipts)

Fee Revenue – Responsible Refrigerant Disposal (RRD) Account

Section 12 (2) would require Ecology to determine the annual fee payment by April 1, 2027, and annually thereafter to implement, administer, and enforce the chapter established in the bill. Ecology would be required to adjust future billings based on the difference between fee revenue collected minus actual costs for the previous fiscal year.

Ecology assumes the first fee receipt collections would be for FY 2028 (billed in FY 2027). Ecology assumes one RSO would be subject to the annual payment to support Ecology’s estimated costs. Fee revenue would be deposited in the RRD Account. For purposes of this fiscal note, revenue from fee collections is shown in the same year estimated costs in the RRD Account and is assumed to be equal to estimated costs.

Estimated RRDA Revenue:
 FY 2028: \$603,828
 FY 2029: \$586,021 each year through FY 2033.



Ten-Year Analysis

Bill Number 2401 E 2S HB AMS ENET S5156.1	Title Refrigerant gases	Agency 461 Department of Ecology
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Agency Preparation: Cristina Steward	Phone: 564-669-1723	Date: 2/23/2024 2:37:43 pm
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 2/23/2024 2:37:43 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 2401 E 2S HB AMS ENET S5156.1	Title Refrigerant gases	Agency 468 Environmental and Land Use Hearings Office
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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												
Total													

Biennial Totals

Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 2/22/2024 12:21:38 pm
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 2/22/2024 12:21:38 pm
OFM Review:	Phone:	Date: