

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1497 HB	<b>Title:</b> Waste material management
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## Estimated Cash Receipts

Agency Name	2025-27			2027-29			2029-31		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Agriculture	Non-zero but indeterminate cost and/or savings. Please see discussion.								
<b>Total \$</b>	0	0	0	0	0	0	0	0	0

Agency Name	2025-27		2027-29		2029-31	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI	Fiscal note not available					
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Local Gov. Total						

## Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	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 Commerce	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Enterprise Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Health	.0	0	0	0	.0	0	0	0	.0	0	0	0
Superintendent of Public Instruction	1.0	464,000	464,000	464,000	1.5	420,000	420,000	420,000	1.5	420,000	420,000	420,000
Superintendent of Public Instruction	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Department of Ecology	1.7	0	0	1,222,825	1.6	0	0	1,588,204	1.6	0	0	1,478,315
Environmental and Land Use Hearings Office	.0	0	0	0	.0	0	0	0	.0	0	0	0
State Conservation Commission	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Agriculture	.1	32,743	32,743	32,743	.1	26,242	26,242	26,242	.1	26,242	26,242	26,242
Department of Agriculture	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
<b>Total \$</b>	<b>2.8</b>	<b>496,743</b>	<b>496,743</b>	<b>1,719,568</b>	<b>3.2</b>	<b>446,242</b>	<b>446,242</b>	<b>2,034,446</b>	<b>3.2</b>	<b>446,242</b>	<b>446,242</b>	<b>1,924,557</b>

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	Fiscal note not available								
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

### Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Enterprise Services	.0	0	0	.0	0	0	.0	0	0
Department of Health	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	.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
State Conservation Commission	.0	0	0	.0	0	0	.0	0	0
Department of Agriculture	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	Fiscal note not available								
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

### Estimated Capital Budget Breakout

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<b>Prepared by:</b> Lisa Borkowski, OFM	<b>Phone:</b> (360) 742-2239	<b>Date Published:</b> Final 2/13/2025
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1497 HB	<b>Title:</b> Waste material management	<b>Agency:</b> 100-Office of Attorney General
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## Part I: Estimates

☒ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

NONE

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Jacob Lipson	Phone: 360-786-7196	Date: 01/21/2025
Agency Preparation: Chad Standifer	Phone: 3605863650	Date: 01/24/2025
Agency Approval: Joe Zawislak	Phone: 360-586-3003	Date: 01/24/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 01/26/2025

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.

1. 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. The enactment of this bill will not impact the provision of legal services to the Department of Ecology (Ecology). While the bill calls out rulemaking in Section 3(4), Ecology is conducting rulemaking per Legislative Session 2023 HB 2301 and believes they can roll the required rulemaking into that ongoing effort. The additional rulemaking topics required by this bill will not require appreciable legal advice. Ecology’s subject matter experts will likely need assistance with interpreting certain proposed statutory changes included in this bill; however, we don’t expect it would be more than 20 hours in any FY. New legal services are nominal, and costs are not included in this request.

2. The AGO Education Division (EDU) has reviewed this bill and determined it will not increase or decrease the division’s workload. The enactment of this bill will not impact the provision of legal services to the Office of Superintendent of Public Instruction (OSPI). EDU assumes any legal advice required by OSPI under Sections 11 through 14 would be absorbed into the standard scope of legal advice. EDU assumes some advice may be sought relative to the grant funding in Section 11, drafting of grant documents, and advising on various legal requirements and recommended provisions. EDU further assumes OSPI will not require legal advice, at least not in any significant amount after the initial implementation. New legal services are nominal, and costs are not included in this request.

3. The AGO Agriculture & Health Division (AHD) has reviewed this bill and determined it will not increase or decrease the division’s workload. The enactment of this bill will not impact the provision of legal services to the Department of Commerce (Commerce), the Washington State Department of Agriculture (WSDA), or the Department of Health (DOH). The changes in Section 13 to the farm-to-school program, which these agencies consult on, would not require more than a negligible amount of new legal services. New legal services are nominal, and costs are not included in this request.

4. The AGO Transportation and Public Construction Division (TPC) has reviewed this bill and determined it will not increase or decrease the division’s workload. The enactment of this bill will not impact the provision of legal services to the Department of Enterprise Services (DES) or the State Building Code Council (Council). Any legal advice required under Section 6 would be part of the standard scope of legal advice routinely provided. 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

<b>Bill Number:</b> 1497 HB	<b>Title:</b> Waste material management	<b>Agency:</b> 103-Department of Commerce
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## Part I: Estimates

☒ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

NONE

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

<b>Legislative Contact:</b> Jacob Lipson	<b>Phone:</b> 360-786-7196	<b>Date:</b> 01/21/2025
<b>Agency Preparation:</b> Lucas Rubstello	<b>Phone:</b> (206) 613-7565	<b>Date:</b> 01/25/2025
<b>Agency Approval:</b> Lucas Rubstello	<b>Phone:</b> (206) 613-7565	<b>Date:</b> 01/25/2025
<b>OFM Review:</b> Marie Davis	<b>Phone:</b> (360) 890-1163	<b>Date:</b> 01/27/2025

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.

HB 1497 relates to the WA Center for Sustainable Food Management (70A.207 RCW) which is within the Department of Ecology. Additionally, the Sustainable Farm Funding Account, referenced in Sections 9 and 10, is within the WA State Conservation Commission.

Sec. 1 - This measure helps to bolster outcomes associated with waste material management systems, including organic materials management. The Department of Commerce (Department) is not involved in activities outlined in this bill; therefore, there is no fiscal impact on the Department.

II. B - Cash receipts Impact

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

II. C - Expenditures

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

The Department of Commerce (Department) is not involved in activities outlined in this bill; therefore, there is no fiscal impact on the Department.

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

<b>Bill Number:</b> 1497 HB	<b>Title:</b> Waste material management	<b>Agency:</b> 179-Department of Enterprise Services
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## Part I: Estimates

☒ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

NONE

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

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- ☐ 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: Jacob Lipson	Phone: 360-786-7196	Date: 01/21/2025
Agency Preparation: Michael Diaz	Phone: (360) 407-8131	Date: 01/23/2025
Agency Approval: Jessica Goodwin	Phone: (360) 819-3719	Date: 01/23/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 01/26/2025

Part II: Narrative Explanation

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

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

Section 6 adds a new section to RCW 19.27 that states the State Building Code Council (SBCC) must facilitate the collection of source-separated organic materials from new multifamily residential and commercial buildings. Currently, the SBCC does not adopt rules that would limit the goals set forth in this section.

Section 8 amends RCW 70A.205.545 and 2024 c 341 s 302 by adding subsection (7) that requires the Department of Ecology to publish on their website the methodology used to determine the businesses that are required to manage organic materials in a manner consistent with the requirements of this section, as well as a list of businesses that are likely to be required to manage organic materials as required.

Section 13(2)(c) amends RCW 15.64.060 and 2015 c 225 s 9 by adding to the information provided about Washington grown food.

The Department of Enterprise Services (DES) currently operates an organic waste management program for commercial buildings it owns and would update its practice with the new language in this legislation. DES may also need to update the current Washington Grown Food Policy to align with the proposed legislation. Necessary updates could be done in the normal course of business and therefore, the proposed legislation has no fiscal impact to DES.

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

<b>Bill Number:</b> 1497 HB	<b>Title:</b> Waste material management	<b>Agency:</b> 303-Department of Health
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## Part I: Estimates

☒ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

NONE

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

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- ☐ 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: Jacob Lipson	Phone: 360-786-7196	Date: 01/21/2025
Agency Preparation: Katie Osete	Phone: 3602363000	Date: 01/24/2025
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 01/24/2025
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/27/2025

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.

There is no new work or rulemaking required for the Department of Health, therefore, no fiscal impact.

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.

N/A

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.

N/A

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

N/A

## **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

<b>Bill Number:</b> 1497 HB	<b>Title:</b> Waste material management	<b>Agency:</b> 350-Superintendent of Public Instruction
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.5	1.5	1.0	1.5	1.5
<b>Account</b>					
General Fund-State 001-1	254,000	210,000	464,000	420,000	420,000
<b>Total \$</b>	254,000	210,000	464,000	420,000	420,000

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

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Jacob Lipson	Phone: 360-786-7196	Date: 01/21/2025
Agency Preparation: Troy Klein	Phone: (360) 725-6294	Date: 02/04/2025
Agency Approval: Mike Woods	Phone: 360 725-6283	Date: 02/04/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 02/10/2025

## Part II: Narrative Explanation

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

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

#### Section 8 (Amended)

Section 8(7)(a): Requires the Department of Ecology to create and publish on its website the methodology used to determine the businesses that are required to manage organic materials in a manner consistent with the requirements of this section and a list of businesses that are likely to be required to manage organic materials in a manner consistent with the requirements of this section.

#### Section 11 (New)

Section 11(1): Requires the Office of Superintendent of Public Instruction (OSPI) to identify or develop open educational resources for use by schools to integrate mathematics, science, social-emotional, environmental and sustainability, and social studies content standards to help support and prioritize food waste reduction in schools.

Section 11(2)(a): Subject to appropriations, requires OSPI to provide grants to support food waste reduction efforts. Informs that grant funding may be used for installation and maintenance of food waste reduction infrastructure and food waste reduction educational resources.

Section 11(2)(b): Requires grants to be prioritized by applications that demonstrate both anticipated food waste reductions and reduced expenditures on food or associated packaging or service ware.

#### Section 12 (New)

Requires OSPI to leverage existing programs to identify food waste reduction educational best practices and ways to overcome food waste reduction barriers in schools by January 1, 2027.

#### Section 13 (Amended)

Section 13(2)(c): Expands language requiring the Department of Ecology, in consultation with OSPI, the Department of Enterprise Services, and Washington State University to assist schools in connecting with local producers by informing them of the sources and availability of Washington grown food, including food that might be going to waste including, but not limited to, grade B produce, as allowed by federal regulations and local requirements.

### 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.*

No cash receipts impact anticipated.

### 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.*

OSPI expenditure impact:

Section 11(1) requires OSPI to identify or develop open educational resources (OER) in order to help support and prioritize waste reduction in schools. OSPI assumes for this fiscal note that the development of OER would be carried out by a contractor for resource development of one supplemental unit of OER which would have multiple lessons supporting a



common theme of waste reduction in schools. The estimated cost for this work would be \$27,000 in FY 2026 only.

Section 11(2) of the bill requires that OSPI, subject to appropriations, create a grant program to support food waste reduction efforts.

Section 12 of the bill requires that OSPI leverage existing programs to identify food waste reduction educational best practices and ways to overcome food waste reduction barriers in schools by January 1, 2027.

Section 13(2)(c) requires that OSPI serve in a consultant role with the Department of Ecology regarding assisting schools in connecting with local producers about the sources and availability of Washington grown food, including the topic of food going to waste.

The grant program described in Section 11(2) of the bill is subject to appropriations, so the expenditure impact is indeterminate for this fiscal note. But OSPI estimates that if appropriations are allocated the grants could include the development of supplemental OER. The current OSPI OER grant costs are about \$15,000 per grant given, and it is assumed that the grants would go out through the Washington Integrated Nutrition System (WINS). In addition, there would be one-time costs in FY 2026 for the system development changes for the addition of this new grant. As the grant program is subject to amounts appropriated, this cost is also considered indeterminate for this fiscal note.

Also, the work described in Sections 11(2), 12, and 13(2)(c) would require additional staffing resources for OSPI.

OSPI would need a 1.0 FTE Administrative Program Specialist 2, range 60, step M in its Child Nutrition Services Program in order to perform the following work activities:

- Implementation and administration of a new grant program.

- Prepare grant application packages.

- Prepare and lead scoring of grants including preparing scoring matrix and soliciting and training grant readers.

- Provide training and technical assistance to sponsors on grant application process and use and also accounting for the grant funds.

- Develop resources to support grant program.

- Identify food waste reduction educational best practices and ways to overcome food waste reduction barriers.

- Consultation with the Department of Ecology and others to assist schools in connecting with local producers.

- Develop and provide training, technical assistance and resources.

- Assist districts and/or schools in implementing state initiatives and requirements.

- Provide training and develop communications to sponsors.

The cost for this staff position is estimated at \$160,000 in FY 2026 and \$148,000 in years after.

OSPI would also need a 0.5 FTE Fiscal Analyst 3, range 50, step M in its Child Nutrition Services Program to perform the following work activities:

- Notifies and assists awarded grantees in all areas of grant claims and completion.

- Monitors grant balance.

- Track total grant expenditures per workbook set up for each grantee.

- Coordinate with and provide updates to program leads, and program supervisors.

- Actively participates and reports to Grant team group.

- Work with Grant team for processing and assistance to sponsors for Grant process success.

- Provides technical assistance to Grant Awardees regarding claiming and submission of supporting documentation.

The cost for this staff position is estimated at \$67,000 in FY 2026 and \$62,000 in years after.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	254,000	210,000	464,000	420,000	420,000
Total \$			254,000	210,000	464,000	420,000	420,000

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

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.5	1.5	1.0	1.5	1.5
A-Salaries and Wages	127,000	127,000	254,000	254,000	254,000
B-Employee Benefits	63,000	63,000	126,000	126,000	126,000
C-Professional Service Contracts	27,000		27,000		
E-Goods and Other Services	10,000	10,000	20,000	20,000	20,000
G-Travel	10,000	10,000	20,000	20,000	20,000
J-Capital Outlays	17,000		17,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	254,000	210,000	464,000	420,000	420,000

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

III. C - Operating FTE Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
Administrative Program Specialist, range 60, step	91,068	0.0	1.0	0.5	1.0	1.0
Fiscal Analyst 3, range 50, step M	71,148	0.5	0.5	0.5	0.5	0.5
Total FTEs		0.5	1.5	1.0	1.5	1.5

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

No capital budget impact anticipated.

**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

<b>Bill Number:</b> 1497 HB	<b>Title:</b> Waste material management	<b>Agency:</b> 461-Department of Ecology
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## Part I: Estimates

☐

No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.8	1.7	1.7	1.6	1.6
<b>Account</b>					
Model Toxics Control Operating Account-State 23P-1	475,220	747,605	1,222,825	1,588,204	1,478,315
<b>Total \$</b>	475,220	747,605	1,222,825	1,588,204	1,478,315

### 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: Jacob Lipson	Phone: 360-786-7196	Date: 01/21/2025
Agency Preparation: Fahad Kazi	Phone: 564-233-9372	Date: 01/24/2025
Agency Approval: Garret Ward	Phone: 360-789-7938	Date: 01/24/2025
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/26/2025

## Part II: Narrative Explanation

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

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

Under current law, 70A.207 RCW, Ecology, through the Washington Center for Sustainable Food Management (Food Center), provides guidance on Food Center goals, establishes organics grant eligibility, and administers grant programs.

70A.205 RCW requires Ecology to regulate how solid waste is managed, establishes criteria for mandatory organic materials collection for residents and non-residential customers, requires certain businesses to arrange for organic materials management services, and establishes enforcement authority for local jurisdictional health districts to ensure businesses are in compliance with the law.

This bill would amend chapters 70A.205 RCW and 70A.207 RCW with the intent to improve outcomes associated with waste material management systems, including organic materials management systems.

Section 2 would add a new chapter to 70A.207 RCW, which would require Ecology to develop an education and outreach program focused on residential organics source separation participation and contamination reduction. Ecology would be required to develop an education and outreach toolkit with performance measures to help local governments track organic material diversion and minimize contamination. Ecology would hire a third-party organization to assess barriers and motivators for food scrap separation, test strategies to encourage residents to increase diversion, and develop the outreach program. This effort builds on ongoing behavior change campaigns, like Use Food Well, which included toolkit development and research. Ecology would need to conduct a statewide education campaign by January 1, 2029.

Section 3 would amend 70A.207.050 RCW and 2024 c 341 s 202 to require Ecology to establish rules for performance metrics that local governments must report to receive funding from the grants created in this section. It would also require all relevant entities to comply with standardized bin and lid colors and labels (outlined in Section 4) to be eligible for funding. Ecology would incorporate these requirements into the Food Center grant rulemaking process established by HB 2301 during the 2023-2024 legislative session, without the need for new rulemaking. Ecology would use existing grant management technology (EAGL) to manage the performance data.

Section 4 would add a new chapter to 70A.205 RCW, which would require Ecology to conduct technical outreach to educate local governments and solid waste collection companies about the new required bin and lid colors for residential and commercial solid waste containers and labels. This section would also require Ecology to develop model label text and graphic images for optional use by local governments and solid waste collection companies. Ecology assumes it would develop the model text and graphics by March 1, 2026. This section would authorize Ecology to write rules to prohibit contaminants from being disposed in recycling containers; Ecology assumes that a rulemaking will not be needed at this time to prohibit additional waste stream contaminants from being placed in a green, brown or blue container.

Section 5 would amend 70A.205.540 RCW and 2024 c 341 s 301 to require Ecology to provide technical assistance to local jurisdictions required to update their solid waste plans to include programs to implement source-separated organics collection at multifamily residences in areas impacted by 70A.205.540 RCW. Planners would be heavily involved in offering technical assistance on this topic.

Section 7 would add a new chapter to 70A.205 RCW, which would give local governments authority to require owners and operators of multifamily buildings to provide space or education for residential use of source-separated organics collection bins. Ecology assumes that technical assistance would be provided to local governments on providing owners and operators of multifamily residential buildings with guidance on how to comply with the space and educational provisions for organics collection. This would include the creation of model signage similar to that created in Section 4.

Section 8 would amend 70A.205.545 RCW and 2024 c 341 s 302 to require Ecology to develop a methodology to determine

the businesses that are required to manage organic materials in accordance with this section of the law. Ecology assumes that management of a contractor will be necessary. The contractor would be responsible for developing the methodology. Ecology would then be responsible to annually publish the list of businesses on Ecology's website. Ecology's publishing of the document must be in a manner that facilitates education and outreach by parties who support businesses complying with the law. Ecology assumes the first list would be posted on Ecology's website by June 30, 2026.

## **II. B - Cash receipts Impact**

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

## **II. C - Expenditures**

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

The expenditure impact to Ecology under this bill is estimated to be greater than \$50,000 in Fiscal Year (FY) 2026 through 2031 to implement the requirements of sections 2 through 5, 7, and 8.

Ecology's costs to implement this bill are assumed to be funded with Model Toxics Control Operating Account (MTCA), the same fund source that supports the implementation of the Organics Management Law.

### **Section 2 – Source Separation and Contamination Education and Outreach Program: Statewide education campaign**

Section 2 would require Ecology to conduct an education and outreach toolkit, including performance measures, to help local governments measure residential organic material diversion. Ecology would be required to hire a third party to assess barriers and motivators for source separation of food scraps, pilot strategies to motivate residents to increase diversion of organic materials and develop a toolkit for counties and cities that can be customized for different audiences and geographies. The education and outreach program would be focused on residential organics source separation and participation. Ecology would be required to conduct a statewide education campaign by January 1, 2029. This work would begin in FY 2026 and would be ongoing.

Based on our experience in establishing other education and outreach campaigns in the Solid Waste Program, including the Use Food Well campaign and the Litter Campaign, Ecology assumes the contracted need of this effort to be \$200,000 in FY 2026, \$500,000 in FY 2027, \$600,000 in FY 2028, \$500,000 in FY 2029 and ongoing to develop, launch and maintain the campaign. This includes research, message testing and cocreation in both English and Spanish languages, focus groups, creative development, local partnership development, and outreach expenses for a successful launch. As a reference, the Use Food Well Campaign is funded in total for \$2,250,000 for the 23-25 Biennium and the Litter Campaign annual spending has been over \$800,000 since 2021. The campaign identified in this section targets multiple behaviors and is moderately complex compared to existing campaigns due to the need for local partnerships for successful execution.

Section 2 would require 0.50 FTE Environmental Planner (EP4) to support project management, contract management, resource development, program liaison between contractor and Ecology staff, and facilitation of the campaign partnerships from FY 2026 onwards.

Ecology estimates 0.10 FTE Communications Consultant 5 (CC5) in FY 2027 and ongoing would be required to support social media, webpage development, and to liaise outreach strategies through agency channels.

Ecology estimates 0.10 FTE Communications Consultant 3 (CC3) in FY 2027 and ongoing would be required to support Solid Waste Management program web-based development and maintenance.

Ecology estimates 0.03 FTE Communications Consultant 2 (CC2) in FY 2027 and ongoing would be required to support publications review and finalization for this work.

Ecology estimates 0.10 FTE Communication Outreach and Environmental Educational Specialist 4 (COEES4) would be required to support graphics and materials review in FY 2027 and ongoing.

### Section 3 – Organics Grant Program Eligibility: Ecology grant rulemaking requirements

Section 3 would require Ecology to adopt rules to identify the minimum measurement and reporting requirements for local governments to be eligible to receive funding from the Food Center grants program. Ecology assumes this rulemaking would be combined into the grant program rulemaking that will begin in mid-2025.

As a result, Ecology estimates 0.02 FTE EP4 would be required to support project management and oversight of the additional rulemaking requirement during FY 2026 and FY 2027.

### Section 4 – Collection Bin Lids and Labels: Ecology model labels and graphics

Section 4 would require Ecology to support jurisdictions and solid waste collection companies understand the new color standardization for lids and labels.

Ecology would require 0.05 FTE Environmental Specialist 4 (ES4) in FY 2026 through FY 2030 and 0.01 FTE in FY 2031 and ongoing to provide general guidance to local governments and collection companies on the requirements for the standardization for bin colors and labels. Work will include solid waste planners providing outreach regarding the requirements and dispersal of the model graphics and text.

Ecology would require 0.03 FTE EP4 in FY 2026 through FY 2030 and 0.01 FTE in FY 2031 and ongoing to provide consultation on statutory requirements to internal and external partners including determinations on appropriate color container use for confusing materials. This position will also provide determinations on color compliance when requested by local governments.

Ecology would require 0.05 FTE COEES4 in FY 2026 to develop the model label text and graphic images.

Ecology would require 0.05 FTE CC3 in FY 2026 to make labels available on the website.

Ecology would require 0.05 of a CC2 in FY 2026 to support on publication process, accessibility and language access.

Based on previous experience, Ecology anticipates a contracted cost of \$150 to translate the model labels into the six most spoken languages in Washington.

### Section 5 – Multifamily Service Obligations: Ecology technical assistance to local governments on plan requirements

Section 5 would require Ecology to provide consultation on statutory requirements and develop guidelines that outline programmatic examples to phase-in multifamily organics collection programs.

Ecology would require 0.20 FTE EP4 in FY 2026 and ongoing to provide technical assistance to local government regarding plan updates and establishing timelines for phasing in the requirements.

Based on previous work consulting with local jurisdictions on local solid waste management plans, Ecology anticipates 0.07 ES4 in FY 2026 and ongoing to provide education and resources about how communicate these new requirements to local jurisdictions.

### Section 7 – Building Owner/Operator Obligations: Ecology technical assistance and toolkit to local governments

Ecology assumes local governments would seek assistance on how to communicate with owners or operators of new or existing multifamily residential buildings as identified in Section 7.

Ecology would require 0.20 FTE Environmental Specialist 4 (ES4) in FY 2026 to develop technical assistance for local governments.

Ecology would develop model signage that would maintain statewide color and labeling consistency in line with the requirements in Section 4. The development of the signage for multifamily residences would require support services from Ecology's communications team in FY 2026.

Ecology would require 0.05 FTE CC3 in FY 2026 to make signage available on Ecology's website.

Ecology would require 0.05 FTE COEES4 in FY 2026 to create content and graphics for signage in an accessible format.

Ecology would require 0.05 FTE CC2 in FY 2026 to support on publication process, accessibility and language access.

Based on previous experience, Ecology anticipates a contracted cost of \$150 in FY 2026 to translate the model labels into the six most spoken languages in Washington.

#### Section 8 - Business Organic Management: Annual impacted businesses list

Section 8 would require Ecology to hire a contractor to develop a methodology used to determine the businesses that are required to manage organic materials in a manner consistent with 70A.205.545 RCW.

Based on previous quotes Ecology has received for this work, Ecology anticipates the cost to develop the methodology to be \$30,000 in FY 2026. Ecology anticipates ongoing maintenance of the list to cost \$10,000 in FY 2027 and ongoing.

Ecology anticipates 0.10 FTE ES4 in FY 2026 to develop and manage this contract.

Ecology anticipates 0.05 FTE CC3 in FY 2026 and ongoing to publish the methodology and the list of businesses on Ecology's website.

Ecology would require 0.20 FTE ES4 in FY 2027 and ongoing to run the methodology each year and publish a new list. This work includes processing confidential business information requests and analyzing data to further inform the education and outreach to impacted businesses.

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

Source Separation and Contamination Education and Outreach Program: Statewide education campaign is estimated to require:

FY 2026: \$287,574 and 0.6 FTEs.

FY 2027: \$636,106 and 1.0 FTEs.

FY 2028: \$736,106 and 1.0 FTEs.

FY 2029: \$636,106 and 1.0 FTEs.

FY 2030: \$636,106 and 1.0 FTEs.

FY 2031: \$636,106 and 1.0 FTEs.

Organics Grant Program Eligibility: Ecology grant rulemaking requirements is estimated to require:

FY 2026: \$3,503 and 0.0 FTEs.

FY 2027: \$3,503 and 0.0 FTEs.



Collection Bin Lids and Labels: Ecology model labels and graphics is estimated to require:

FY 2026: \$33,332 and 0.3 FTEs.

FY 2027: \$13,239 and 0.1 FTEs.

FY 2028: \$13,239 and 0.1 FTEs.

FY 2029: \$13,239 and 0.1 FTEs.

FY 2030: \$13,239 and 0.1 FTEs.

FY 2031: \$3,350 and 0.0 FTEs.

Multifamily Service Obligations: Ecology technical assistance to local governments on plan requirements is estimated to require:

FY 2026: \$46,204 and 0.3 FTEs.

FY 2027: \$46,204 and 0.3 FTEs.

FY 2028: \$46,204 and 0.3 FTEs.

FY 2029: \$46,204 and 0.3 FTEs.

FY 2030: \$46,204 and 0.3 FTEs.

FY 2031: \$46,204 and 0.3 FTEs.

Building Owner/Operator Obligations: Ecology technical assistance and toolkit to local governments is estimated to require

FY 2026: \$52,016 and 0.4 FTEs.

Business Organic Management: Annual impacted businesses list is estimated to require:

FY 2026: \$52,591 and 0.2 FTEs.

FY 2027: \$48,553 and 0.3 FTEs.

FY 2028: \$48,553 and 0.3 FTEs.

FY 2029: \$48,553 and 0.3 FTEs.

FY 2030: \$48,553 and 0.3 FTEs.

FY 2031: \$48,553 and 0.3 FTEs.

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

FY 2026: \$475,220 and 1.7 FTEs.

FY 2027: \$747,605 and 1.7 FTEs.

FY 2028: \$844,102 and 1.6 FTEs.

FY 2029: \$744,102 and 1.6 FTEs.

FY 2030: \$744,102 and 1.6 FTEs.

FY 2031: \$734,213 and 1.6 FTEs.

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 33.7% of salaries.

Professional Service Contracts include contract work for education and outreach, translation contracts, and methodology development third-party contract.

Goods and Services are the agency average of \$5,552 per direct program FTE. Goods and Services also includes data purchasing costs.

Travel is the agency average of \$2,398 per direct program FTE.

Equipment is the agency average of \$1,074 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.9% 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 2026	FY 2027	2025-27	2027-29	2029-31
23P-1	Model Toxics Control Operating Account	State	475,220	747,605	1,222,825	1,588,204	1,478,315
Total \$			475,220	747,605	1,222,825	1,588,204	1,478,315

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.8	1.7	1.7	1.6	1.6
A-Salaries and Wages	133,119	129,274	262,393	254,722	249,340
B-Employee Benefits	44,862	43,565	88,427	85,840	84,027
C-Professional Service Contracts	230,300	500,000	730,300	1,100,000	1,000,000
E-Goods and Other Services	8,442	18,051	26,493	35,880	35,547
G-Travel	3,647	3,479	7,126	6,862	6,718
J-Capital Outlays	1,634	1,556	3,190	3,070	3,006
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Agency Administrative Overhead	53,216	51,680	104,896	101,830	99,677
Total \$	475,220	747,605	1,222,825	1,588,204	1,478,315

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 2026	FY 2027	2025-27	2027-29	2029-31
COMM OUTRCH & ENVIRO ED SPEC 4	78,468	0.1	0.1	0.1	0.1	0.1
COMMUNICATIONS CONSULTANT 2	64,440	0.1	0.0	0.1	0.0	0.0
COMMUNICATIONS CONSULTANT 3	71,148	0.2	0.2	0.2	0.2	0.2
COMMUNICATIONS CONSULTANT 5	93,348		0.1	0.1	0.1	0.1
ENVIRONMENTAL PLANNER 4	95,652	0.8	0.8	0.8	0.7	0.7
ENVIRONMENTAL SPEC 4	86,712	0.4	0.3	0.4	0.3	0.3
FISCAL ANALYST 2		0.2	0.2	0.2	0.1	0.1
IT APP DEVELOPMENT-JOURNE		0.1	0.1	0.1	0.1	0.1
Total FTEs		1.8	1.7	1.7	1.6	1.6

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

#### **IV. C - Capital Budget Breakout**

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

NONE

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

NONE

### **Part V: New Rule Making Required**

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

Section 3 would require Ecology to adopt rules to identify the minimum measurement and reporting requirements for local governments to be eligible to receive funding from the Food Center grants program. Ecology assumes this rulemaking would be combined into the grant program rulemaking that will begin in mid-2025.

As a result, Ecology assumes needing 0.02 FTE EP4 to support project management and oversight of the additional rulemaking requirement during FY 2026 and FY 2027.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1497 HB	<b>Title:</b> Waste material management	<b>Agency:</b> 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:

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: Jacob Lipson	Phone: 360-786-7196	Date: 01/21/2025
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 01/23/2025
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 01/23/2025
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/26/2025

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 amends chapter 70A.205 RCW, Solid Waste Management-Reduction and Recycling to add policy statements and regulations regarding elimination of organic waste from the solid waste stream. Amendments of relevance to this fiscal note are provisions for civil penalties if businesses fail to comply with the organic materials management requirements.

Section 8: As currently enacted, RCW 70A.205.545(2) requires businesses subject to this section that generate certain amounts of organic waste per week to arrange for organic materials management, with provisos and exceptions. This statute requires that businesses subject to this section to include provisions in contracts with landscaping service providers to provide for organic materials management.

New Subsection (8): (a) Businesses in violation of Section 8 are subject to a “minimum civil penalty”, imposed by a jurisdiction implementing a plan under this chapter or a jurisdictional health department in the amount of (i) \$500 each day of violation for a first penalized violation; (ii) \$750 for each day of a second penalized violation; and (iii) \$1000 for each day of a third penalized violation.

•Local jurisdictions enforcing the requirements of this section may adopt penalties that exceed the penalties in this specified in subsection (a);

•Local jurisdictions must issue at least two notices of violation by certified mail prior to imposing a civil penalty under this section.

As written, the bill does not provide clear jurisdictional authority for the Pollution Control Hearings Board (PCHB) to decide appeals regarding penalties. Therefore, the Environmental and Land Use Hearings Office (ELUHO) does not anticipate impacts to the PCHB as a result of the bill.

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

<b>Bill Number:</b> 1497 HB	<b>Title:</b> Waste material management	<b>Agency:</b> 471-State Conservation Commission
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Jacob Lipson	Phone: 360-786-7196	Date: 01/21/2025
Agency Preparation: Karla Heinitz	Phone: 360-878-4666	Date: 01/24/2025
Agency Approval: Dani Madrone	Phone: 564-250-2677	Date: 01/24/2025
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 01/26/2025

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.

In the Sustainable Farm Funding Section 9 and 10, the bill provides public or private entities to participate in an optional sustainable farm funding program funded through voluntary donations including in the form of a set or percentage surcharge, i.e. one dollar or one percent added to a customer’s bill, such as food service. An entity that participates in this program must communicate to the customer it is a participant. Donations are voluntary and may be refused by the customer and may be presented to the customer as an opt-out donation.

The state treasurer creates the sustainable farm funding account. Any funds collected are deposited in this account. Expenditures from the account may only be used for funding voluntary state programs that incentivize agricultural practices and technologies that sequester carbon in the soil. The sustainable farms and fields grant program was established in RCW 89.08.615 and the compost reimbursement program was established in RCW 15.04.420. Money in the account may be spent only after appropriation.

II. B - Cash receipts Impact

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

II. C - Expenditures

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

The expenditure impact is indeterminate. Any funding collected would be in addition to the Sustainable Farms and Fields ongoing funding. It is unknown how many businesses or entities would opt into the program and it is difficult to predict whether and how many customers would decide to opt in or opt out of participating.

Scenario 1: If SCC received \$1,000 we could use the funding for communication with agricultural landowners and operators about the benefits of sequestering carbon in the soil.

Scenario 2: If SCC received \$30,000 the funding could be used for cost-share to agriculture landowners and operators to implement best management practices that sequester carbon in the soil.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

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

Revised

<b>Bill Number:</b> 1497 HB	<b>Title:</b> Waste material management	<b>Agency:</b> 495-Department of Agriculture
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## Part I: Estimates

☐

No Fiscal Impact

### Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.
--

### Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.0	0.1	0.1	0.1	0.1
<b>Account</b>					
General Fund-State 001-1	19,622	13,121	32,743	26,242	26,242
<b>Total \$</b>	19,622	13,121	32,743	26,242	26,242

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

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

☐

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

☒

If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Jacob Lipson	Phone: 360-786-7196	Date: 01/21/2025
Agency Preparation: Alison Halpern	Phone: (360) 902-1800	Date: 02/03/2025
Agency Approval: Lori Peterson	Phone: 360-974-9767	Date: 02/03/2025
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 02/03/2025

Part II: Narrative Explanation

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

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

Under current law, Washington State Department of Agriculture (WSDA) administers the Compost Reimbursement Program (CRP) as established under Revised Code of Washington (RCW) 15.04.420 and supports the Farm to School program in RCW 28A.235.180.

The proposed legislation would create a new revenue source to support the CRP and add food waste reduction as a goal in Farm to School programs.

Section 9 would create a Sustainable Farm Funding Account in the State Treasury in which an entity or customer can voluntarily pay into.

Section 10 would allow the funds from the account created in section 9 to be utilized for programs supporting soil carbon sequestration, including the sustainable farms and fields program managed by the State Conservation Commission, and the CRP.

Section 14 would add clarifying language that Washington-grown foods to which the program provides access would include food that might be going to waste and add food waste reduction through procurement of Washington-grown foods consistent with food waste reduction goals as an activity that may be conducted by the Regional Markets program. This would not create a fiscal impact for WSDA.

Section 15 would designate sections 9 and 10 as a new chapter in Title 15 RCW.

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.

Section 9 would create a new account to which voluntary contributions may be deposited. Section 15 would incorporate section 9 into Title 15 RCW.

Because section 9 would be included in Title 15, WSDA would collect the revenue from the program once established. WSDA would not be able to collect revenue until infrastructure has been developed to collect donations electronically, which would require one year of Information Technology development. If a public or private entity were to start a program in FY 2026, revenue collections to the new account would begin in FY 2027.

This fiscal note assumes the intent of this revenue source would be to replicate non-profit programs in California and Colorado. From a review of earnings data for California's program (<https://projects.propublica.org/nonprofits/organizations/473642630>), calendar year 2023 revenue was \$1.87 million.

From a review of readily available data on restaurants in Washington State and California, this fiscal note assumes California has seven times more restaurants than Washington State. Assuming a similar program and participation in Washington, this fiscal note assumes annual revenue of \$1,870,000 would represent an upper threshold for potential revenue, with a lower threshold of \$260,000. The average of these values (\$1,065,000) is used as a basis for the cost estimates in the expenditures section.

Revenue collections could vary based on the following factors:  
The program in section 9 would not be mandatory and could be started by any public or private entity. The program(s)

created under the authority of this section may or may not be like the example chosen for purposes of creating an estimated range for revenue. Collection of revenue would depend on the creation of a program which is not required.

The revenue estimates above are based on restaurant participation in an existing non-profit model applied in other states. While food services are referenced as an example of the venue for generating revenue, section 9 does not restrict the scope to a single type of business.

Based on the factors described above, cash receipt impacts starting in FY 2027 are indeterminate.

## **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) for section 9 that can be estimated is less than 50,000 in FY 2026 and ongoing each fiscal year thereafter. In addition to costs that can be estimated, this fiscal note describes indeterminate cost impacts. Estimated ranges of costs are described below where assumptions can be made.

### **Section 9 – Rulemaking**

Because the voluntary program established in section 9 is very broad and would be incorporated under WSDA's responsibilities for administering per section 14, rulemaking would be useful to establish procedures and requirements for submitting donations. Sections 9, 10, and 14 do not provide rulemaking authority to WSDA in the new chapter. If authority were provided, this would be a new program for the agency and would require a new chapter in the Washington Administrative code. Rulemaking would require up to two years to complete and would require substantial consultation with the Office of the Attorney General.

### **Section 9 – Development of a Platform for Collecting Donations**

As noted in the cash receipts section, this fiscal note assumes WSDA would be responsible for collecting revenue from the program(s) created in section 9, because it would be incorporated into Title 15, Revised Code of Washington.

The Compost Reimbursement program operates in the Plant Protection Division, which uses the Plant Inspection Services & Certification Electronic System (PISCES) platform for invoicing. WSDA has recently added PayPoint logic to the Pesticide Management Programs' Washington Agriculture Licensing Tonnage & Registration (WALT&R) system to support electronic payment submittals.

Assuming this logic could be reused and applied to PISCES, and the modified system could accommodate the volume of donation submittals resulting from the program(s) created in section 9, the following costs are estimated for creating a platform to which donations can be submitted.

Contracted Developer: estimated at 20 hours at the hourly rate of \$120 for a total of \$2,400 in FY 2026. The developer would provide a platform in PISCES to capture payee information and generate a template for a thank you letter or receipt for donations.

Contracted IT Project Manager: contracted resource estimated at 40 hours at the hourly rate of \$165 for a total of \$6,600 in FY 2026

Contracted IT Business Analyst: contracted resource estimated at 40 hours at the hourly rate of \$125 for a total of \$5,000 in FY 2026.

IT Application Developer – Journey: Estimated 20 hours for planning and requirements and 40 hours in for code

development and implementation (0.03 FTE total) in FY 2026. (Total estimated costs with standard costs and agency administrative overhead: \$5,600)

For ongoing maintenance, an IT Application Developer – Journey would be needed, estimated 3 hours per week (0.07 FTE annually, starting in FY 2027, for the following ongoing maintenance, with estimated annual costs of \$13,100 including standard costs and overhead):

- Ongoing optimizations
- Integrity checks
- Data cleansing
- Security patching
- Performance monitoring
- Bug fixes

Total estimated costs would be \$19,622 in FY 2026 and \$13,121 in FY 2027 and ongoing each fiscal year thereafter.

#### Section 9 – Financial Management and Account Administration - Indeterminate

The volume and frequency of receipts cannot be determined for the purposes of estimating fiscal management workload.

Financial Analysts 3 would be needed to process receipts in the statewide financial systems and reconcile these transactions with the receipt data in PISCES. The level of workload would depend on the frequency and volume of individual donation transactions, which cannot be determined at this time, because the program would be new to the state, voluntary, and could apply to a variety of business types.

Depending on how new programs are structured and participants enroll, WSDA may need to audit participating businesses to ensure voluntary donations are submitted to the new account established in section 9. This would require finance professional with experience/knowledge of retail and service operations and requirements for voluntary donation programs. Staff would need to conduct on-site visits to perform audits. The position(s) would likely be in the salary range of a Management Analyst 5 (Range 64) at a minimum. The number of positions and travel requirements cannot be estimated due to the broad range of participation authorized in section 9.

WSDA may need to consult with State Auditor's Office on procedures for auditing non-profit activities and revenue reporting procedures. At this time, costs are indeterminate.

#### Sections 9, 10, and 15 – Sustainable Farm Funding Program and Compost Reimbursement – Indeterminate

Per the assumptions in the cash receipts section, the scenario below assumes a total of \$1,000,000 annual revenue from the voluntary program created in section 9; this value is based on the average/median value of the estimated range of potential revenue collected for a single program, similar to a non-profit model in other states. While other programs in addition to the two cited in section 10 could be eligible for funding from the Sustainable Farm Funding Account, this fiscal note assumes WSDA's Compost Reimbursement Program (CRP) would be able to utilize half of the revenue, or \$500,000 per fiscal year, for compost reimbursements.

The current law funding for the CRP is \$3,038,000 per biennium in the Climate Commitment Account, plus dedicated funding for food waste reduction coordination and CRP administration in the Model Toxics Operating Account.

As the CRP is in its second full year of implementation, participation is expected to grow over time. In FY 2025 so far, roughly 125 farms are participating, with roughly \$1 million in grant funding allocated. This required the following workload to provide outreach about the program, review applications, develop reimbursement agreements, coordinate soil sampling, track compost usage and relevant data for Climate Commitment Act and HEAL Act reporting, and process reimbursement

requests:

0.40 FTE Environmental Specialist 5 program lead  
1.00 FTE Environmental Specialist 3 program coordinator

If the program is able to fully utilize the current capacity of \$1.5 million each fiscal year, additional administrative support may be needed.

An additional \$500,000 of funding capacity could support participation for an additional 25 to 63 farms, based on the average amounts of commitments in the current funding cycle. Based on the change in funding (estimated to be an additional 50%), estimated incremental increase in workload would be as follows:

0.20 FTE Environmental Specialist 5  
0.50 FTE Environmental Specialist 3

The incremental staff costs to administer the new additional grant funding at the estimated level would be \$104,156, including standard costs per FTE and agency administrative costs.

In addition to added workload, WSDA would have additional costs to support required soil sampling for participating farms. Postage costs per sampling kit are \$12.00, and costs for lab analysis of soil samples is \$180 per sample. Participating farms must take samples 4 times over 10 years (year 0, 1, 5, and 10). Per sample, test costs would be \$192.00. Based on a range of 25 to 63 additional participating farms, additional costs for supporting soil sampling requirements would range between \$4,800 and \$12,000 each year in the first, second, fifth, and tenth year for each new participating farm.

As funds were to increase over time, WSDA would prepare outreach materials to ensure farms are aware of the opportunity. This could require participation in conferences, boosting posts on social media to specific groups, and creating outreach materials. Total additional annual outreach costs are \$2,000.

Based on an assumption of additional revenue of \$500,000 for reimbursements, estimated costs to administer an increase in participants would range from \$110,956 to \$118,156 per year.

Section 14's changes to Farm to School language in section 14 would not create a new fiscal impact for WSDA.

Summary of cost assumptions by object for indeterminate estimates provided above:

Salary estimates are current biennium actual rates at Step L.

Benefits are calculated based on current standard statewide benefit rates.

Professional services includes contracted IT resources for modification of a current system, estimated to be \$14,000 in FY 2026.

Goods and Services are based on the agency's average cost of \$8,600 per direct program FTE. Goods and Services also include building lease costs, estimated at \$3,800 per FTE per year, professional development costs estimated at \$500 per FTE per year, and personnel services charges, estimated to be 0.347% of salaries.

Agency Administrative Overhead is calculated based on a rate of 24.6% of direct program salaries and benefits.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	19,622	13,121	32,743	26,242	26,242
Total \$			19,622	13,121	32,743	26,242	26,242

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

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.0	0.1	0.1	0.1	0.1
A-Salaries and Wages	3,214	7,500	10,714	15,000	15,000
B-Employee Benefits	979	2,285	3,264	4,570	4,570
C-Professional Service Contracts	14,000		14,000		
E-Goods and Other Services	398	929	1,327	1,858	1,858
G-Travel					
J-Capital Outlays					
N-Grants, Benefits & Client Services					
9-Agency Administrative Overhead	1,031	2,407	3,438	4,814	4,814
Total \$	19,622	13,121	32,743	26,242	26,242

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

III. C - Operating FTE Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
IT APP DEVELOPMENT - JOURN]	107,148	0.0	0.1	0.1	0.1	0.1
Total FTEs		0.0	0.1	0.1	0.1	0.1

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.

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

<b>Bill Number:</b> 1497 HB	<b>Title:</b> Waste material management
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## Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

### Legislation Impacts:

- ☒ Cities: Adopting compliant building codes, reporting, and outreach costs. City health departments may have minor costs to enforce certain provisions.
- ☒ Counties: Adopting compliant building codes, reporting, and outreach costs. County health departments may have minor costs to enforce certain provisions.
- ☐ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

## Part II: Estimates

- ☐ No fiscal impacts.
- ☒ Expenditures represent one-time costs: Compost ordinance adoption costs.
- ☒ Legislation provides local option: Local governments may implement a Commerce created toolkit, require multifamily buildings to accommodate organic waste, and to establish sustainable farm funding.
- ☒ Key variables cannot be estimated with certainty at this time: Cost of providing performance metrics to Commerce is unknown, cost of outreach to inform public of proper use of new containers is unknown, cost of implementation and support of multifamily source separation unknown.

### Estimated revenue impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

### Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

## Part III: Preparation and Approval

Fiscal Note Analyst: Dalton Huey	Phone: 360-725-5035	Date: 01/28/2025
Leg. Committee Contact: Jacob Lipson	Phone: 360-786-7196	Date: 01/21/2025
Agency Approval: Jordan Laramie	Phone: 360-725-5044	Date: 01/28/2025
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/28/2025



## **Part IV: Analysis**

### **A. SUMMARY OF BILL**

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

Sec 2(2)(c) Directs the Department of Commerce (Commerce) to create a toolkit that local governments may implement to measure organic waste diversion.

Sec 3 requires recipients of grants under RCW 70A. 207.50 for organic waste disposal to provide performance metric data to Commerce, and revokes eligibility if localities are not compliant

Sec 4(1) requires municipalities, except those in Whatcom County, to follow state guidelines for sizes and colors of waste receptacles, however existing receptacles can continue to be used.

Sec 4(3) requires municipalities to clearly label containers with their purpose and allowed materials.

Sec 5 amends RCW 70A.205.540, Sec 5(5) requires that jurisdictions (except those in sections (1) and (3), estimated at 26 in 2022) must require collection of source separated organic materials from multifamily residences which are newly constructed or substantially remodeled after the local solid waste plan takes effect.

Secs 6 and 7 allows local governments to require new or existing multifamily buildings to provide space and signage for organic waste and recycling receptacles/

Sec 8 requires private businesses to manage organic waste, allowing local governments to create more stringent requirements for businesses and allowing them to set fines for businesses who are out of compliance, as well as an option for local governments to opt out of the program.

Sec 9 allows public entities to establish sustainable farm funding programs.

The bill takes effect 90 days after adjournment of the session in which the bill is passed.

### **B. SUMMARY OF EXPENDITURE IMPACTS**

*Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.*

This legislation would have an indeterminate revenue impact on local governments.

Sec 3 would have indeterminate impacts due to the cost of reporting performance metric data to Commerce.

Sec 4 would have indeterminate costs for local governments to conduct outreach on new waste receptacles and their correct usage. It is currently unknown how much such outreach would cost. Adoption of new waste receptacles is not expected to have any fiscal impact as it can be aligned with normal replacement cycles.

Sec 5 may impose small indeterminate costs for code adoption, but it is likely that it would be aligned with the local government's standard code adoption cycle. There would be ongoing indeterminate costs related to staffing and outreach.

Sec 8 may impose small indeterminate costs on local government health departments as part of enforcement.

Secs 2, 6, 7, and 9 are local options with no fiscal impact.

## C. SUMMARY OF REVENUE IMPACTS

*Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.*

This legislation would have an indeterminate revenue impact on local governments. Local governments would be able to set fines on commercial properties which failed to properly manage organic waste, the revenue that these fines could raise is currently unknown but likely minimal, Per the Washington State Association of Counties (WSAC) local governments would prefer other methods to encourage compliance. If Commerce grant eligibility was revoked because a local government failed to maintain compliance, there could be indeterminate revenue impacts to that local government.

### SOURCES:

House Bill Report, 1497 HB (2025)

Washington State Association of Counties (2025)



# Multiple Agency Ten-Year Analysis Summary

Bill Number	Title
1497 HB	Waste material management

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

## Estimated Cash Receipts

Office of Attorney General	0	0	0	0	0	0	0	0	0	0	0
Department of Commerce	0	0	0	0	0	0	0	0	0	0	0
Department of Enterprise Services	0	0	0	0	0	0	0	0	0	0	0
Department of Health	0	0	0	0	0	0	0	0	0	0	0
Superintendent of Public Instruction	0	0	0	0	0	0	0	0	0	0	0
Department of Ecology	0	0	0	0	0	0	0	0	0	0	0
Environmental and Land Use Hearings Office	0	0	0	0	0	0	0	0	0	0	0
State Conservation Commission	0	0	0	0	0	0	0	0	0	0	0
Department of Agriculture Indeterminate Impact	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# Ten-Year Analysis

<b>Bill Number</b> 1497 HB	<b>Title</b> Waste material management	<b>Agency</b> 100 Office of Attorney General
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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**

<b>Name of Tax or Fee</b>	<b>Acct Code</b>											
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Agency Preparation: Chad Standifer	Phone: 3605863650	Date: 1/24/2025 1:47:49 pm
Agency Approval: Joe Zawislak	Phone: 360-586-3003	Date: 1/24/2025 1:47:49 pm
OFM Review:	Phone:	Date:



# Ten-Year Analysis

<b>Bill Number</b> 1497 HB	<b>Title</b> Waste material management	<b>Agency</b> 103 Department of Commerce
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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: Lucas Rubstello	Phone: (206) 613-7565	Date: 1/25/2025 9:26:33 am
Agency Approval: Lucas Rubstello	Phone: (206) 613-7565	Date: 1/25/2025 9:26:33 am
OFM Review:	Phone:	Date:



# Ten-Year Analysis

<b>Bill Number</b> 1497 HB	<b>Title</b> Waste material management	<b>Agency</b> 179 Department of Enterprise Services
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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: Michael Diaz	Phone: (360) 407-8131	Date: 1/23/2025 1:08:07 pm
Agency Approval: Jessica Goodwin	Phone: (360) 819-3719	Date: 1/23/2025 1:08:07 pm
OFM Review:	Phone:	Date:



# Ten-Year Analysis

<b>Bill Number</b> 1497 HB	<b>Title</b> Waste material management	<b>Agency</b> 303 Department of Health
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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: Katie Osete	Phone: 3602363000	Date: 1/24/2025 10:07:57 am
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 1/24/2025 10:07:57 am
OFM Review:	Phone:	Date:



# Ten-Year Analysis

<b>Bill Number</b> 1497 HB	<b>Title</b> Waste material management	<b>Agency</b> 350 Superintendent of Public Instruction
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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: Troy Klein	Phone: (360) 725-6294	Date: 2/4/2025 3:23:43 pm
Agency Approval: Mike Woods	Phone: 360 725-6283	Date: 2/4/2025 3:23:43 pm
OFM Review:	Phone:	Date:





# Ten-Year Analysis

<b>Bill Number</b> 1497 HB	<b>Title</b> Waste material management	<b>Agency</b> 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**

Name of Tax or Fee	Acct Code											
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Agency Preparation: Fahad Kazi	Phone: 564-233-9372	Date: 1/24/2025 4:51:43 pm
Agency Approval: Garret Ward	Phone: 360-789-7938	Date: 1/24/2025 4:51:43 pm
OFM Review:	Phone:	Date:



# Ten-Year Analysis

<b>Bill Number</b> 1497 HB	<b>Title</b> Waste material management	<b>Agency</b> 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**

Name of Tax or Fee	Acct Code											
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Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 1/23/2025 4:59:47 pm
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 1/23/2025 4:59:47 pm
OFM Review:	Phone:	Date:



# Ten-Year Analysis

<b>Bill Number</b> 1497 HB	<b>Title</b> Waste material management	<b>Agency</b> 471 State Conservation Commission
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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: Karla Heinitz	Phone: 360-878-4666	Date: 1/24/2025 2:15:17 pm
Agency Approval: Dani Madrone	Phone: 564-250-2677	Date: 1/24/2025 2:15:17 pm
OFM Review:	Phone:	Date:



# Ten-Year Analysis

<b>Bill Number</b> 1497 HB	<b>Title</b> Waste material management	<b>Agency</b> 495 Department of Agriculture
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

## Estimates

☐ **No Cash Receipts**
☐ **Partially Indeterminate Cash Receipts**
☒ **Indeterminate Cash Receipts**

## Estimated Cash Receipts

Name of Tax or Fee	Acct Code											
Total												

### Biennial Totals

## Narrative Explanation (Required for Indeterminate Cash Receipts)

Section 9 would create a new account to which voluntary contributions may be deposited. Section 15 would incorporate section 9 into Title 15 RCW.

Because section 9 would be included in Title 15, WSDA would collect the revenue from the program once established. WSDA would not be able to collect revenue until infrastructure has been developed to collect donations electronically, which would require one year of Information Technology development. If a public or private entity were to start a program in FY 2026, revenue collections to the new account would begin in FY 2027.

This fiscal note assumes the intent of this revenue source would be to replicate non-profit programs in California and Colorado. From a review of earnings data for Califo program (<https://projects.propublica.org/nonprofits/organizations/473642630>), calendar year 2023 revenue was \$1.87 million.

From a review of readily available data on restaurants in Washington State and California, this fiscal note assumes California has seven times more restaurants than Washington State. Assuming a similar program and participation in Washington, this fiscal note assumes annual revenue of \$1,870,000 would represent an upper threshold for potential revenue, with a lower threshold of \$260,000. The average of these values (\$1,065,000) is used as a basis for the cost estimates in the expenditures section.

Revenue collections could vary based on the following factors:

The program in section 9 would not be mandatory and could be started by any public or private entity. The program(s) created under the authority of this section may or may not be like the example chosen for purposes of creating an estimated range for revenue. Collection of revenue would depend on the creation of a program which is



# Ten-Year Analysis

Bill Number	Title	Agency
1497 HB	Waste material management	495 Department of Agriculture

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>.

## Narrative Explanation (Required for Indeterminate Cash Receipts)

required.

The revenue estimates above are based on restaurant participation in an existing non-profit model applied in other states. While food services are referenced as an example of the venue for generating revenue, section 9 does not restrict the scope to a single type of business.

Based on the factors described above, cash receipts and number of impacted payers starting in FY 2027 are indeterminate.

Agency Preparation: Alison Halpern	Phone: (360) 902-1800	Date: 2/3/2025 1:25:59 pm
Agency Approval: Lori Peterson	Phone: 360-974-9767	Date: 2/3/2025 1:25:59 pm
OFM Review:	Phone:	Date: