Multiple Agency Fiscal Note Summary

Bill Number: 1912 HB	**Title:** Agricultural fuel/CCA ex.

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
Office of Attorney General	0	0	22,000	0	0	0	0	0	0
Total $	**0**	**0**	**22,000**	**0**	**0**	**0**	**0**	**0**	**0**

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	.2	0	0	22,000	.0	0	0	0	.0	0	0	0
Department of Ecology	11.2	0	0	3,513,186	5.6	0	0	1,691,785	4.3	0	0	1,294,448
Total $	**11.4**	**0**	**0**	**3,535,186**	**5.6**	**0**	**0**	**1,691,785**	**4.3**	**0**	**0**	**1,294,448**

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 Ecology	.0	0	0	.0	0	0	.0	0	0
Total $	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

Estimated Capital Budget Breakout

NONE

Prepared by: Lisa Borkowski, OFM	**Phone:** (360) 742-2239	**Date Published:** Final 2/25/2025

FNPID 73533

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 1912 HB	Title: Agricultural fuel/CCA ex.	Agency: 100-Office of Attorney General

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
Legal Services Revolving Account-State 405-1	22,000		22,000		
Total $	22,000		22,000		

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.3	0.0	0.2	0.0	0.0
Account					
Legal Services Revolving Account-State 405-1	22,000	0	22,000	0	0
Total $	22,000	0	22,000	0	0

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: 02/10/2025
Agency Preparation:	Dave Merchant	Phone: 360-753-1620	Date: 02/14/2025
Agency Approval:	Leah Snow	Phone: 360-586-2104	Date: 02/14/2025
OFM Review:	Rayanna Evans	Phone: (360) 902-0553	Date: 02/17/2025

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 1. New Section. The Department of Ecology (Ecology) required to adopt rules to establish remittance program for fuels that were previously exempt; provides guidelines for rule content.

Section 2: Amends RCW 70A.65.080 regarding agricultural fuels, including dyed special fuel.

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.

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is the Department of Ecology (Ecology). The Attorney General's Office (AGO) will bill all clients for legal services rendered.

These cash receipts represent the AGO's authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agency's fiscal note. Appropriation authority is necessary in the AGO budget.

AGO AGENCY ASSUMPTIONS:

Ecology will be billed for non-King County rates:
FY 2026: $22,000 for 0.1 Assistant Attorney General FTE (AAG), and 0.1 Paralegal 1 FTE (PL1)

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.

Attorney General's Office (AGO) Agency Assumptions:

This bill is assumed effective 90 days after the end of the 2025 legislative session.

Location of staffing is assumed to be in a non-King County office building.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 FTE (MA) is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 Paralegal 1 FTE (PL1) and 0.4 MA.

1. Assumptions for the AGO Ecology Division's (ECY) Legal Services for the Department of Ecology (Ecology):

The AGO will bill Ecology for legal services based on the enactment of this bill.

This bill requires a significant rulemaking to design and implement a remittance procedure for agricultural users impacted by the Climate Commitment Act (CCA). ECY anticipates this rulemaking will largely be conducted in FY 2026. 0.1 AAG, or

144 AAG hours, is estimated for client advice and support regarding the rulemaking required by this legislation.

ECY: Total non-King County workload impact:
FY 2026: $22,000 for 0.1 AAG, and 0.1 PL1

2. The AGO Solicitor General's Office Division (SGO) has reviewed this bill and determined it will not increase or decrease the division's workload. Therefore, no costs are included in this request.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
405-1	Legal Services Revolving Account	State	22,000	0	22,000	0	0
		Total $	22,000	0	22,000	0	0

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.3		0.2		
A-Salaries and Wages	15,000		15,000		
B-Employee Benefits	5,000		5,000		
E-Goods and Other Services	2,000		2,000		
Total $	22,000	0	22,000	0	0

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
Assistant Attorney General	132,912	0.1		0.1		
Management Analyst 5	98,040	0.1		0.1		
Paralegal 1	71,148	0.1		0.1		
Total FTEs		0.3		0.2		0.0

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Ecology Division (ECY)	22,000		22,000		
Total $	22,000		22,000		

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1912 HB	Title: Agricultural fuel/CCA ex.	Agency: 461-Department of Ecology

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	11.6	10.8	11.2	5.6	4.3
Account					
Climate Investment Account-State 26B-1	1,845,034	1,668,152	3,513,186	1,691,785	1,294,448
Total $	1,845,034	1,668,152	3,513,186	1,691,785	1,294,448

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: 02/10/2025
Agency Preparation:	Kelcy Shaffer	Phone: 564-200-3781	Date: 02/18/2025
Agency Approval:	Garret Ward	Phone: 360-789-7938	Date: 02/18/2025
OFM Review:	Lisa Borkowski	Phone: (360) 742-2239	Date: 02/25/2025

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.

The Climate Commitment Act (CCA), RCW 70A.65, is designed to help ensure that Washington State meets greenhouse gas limits established under RCW 70A.45.020 by directing Ecology to implement the Cap-and-Invest Program. This program creates compliance obligations for entities that emit over 25,000 metric tons of carbon dioxide equivalent and requires them to acquire compliance instruments equal to their emissions. Many regulated fuel suppliers in Washington pass on their compliance costs to customers through "CCA surcharges" added to the price of fuel. This bill would require Ecology to establish a remittance program through rulemaking to compensate agricultural users for surcharges paid on exempt fuel.

Section 1(1) would require Ecology to adopt rules to establish a remittance program for fuel used by entities whose fuel use is exempt under RCW 70A.65.080(7)(e).

Section 1(2)(d) would require Ecology to issue remittances to users no less than quarterly and suppliers no less than twice per month.

Section 2 would require Ecology to permanently exempt truckers who use fuel for transporting unprocessed agricultural goods. Currently, RCW 70A.65.080(7)(e) exempts fuel used for the transport of agricultural goods on public highways from compliance for five years.

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 and ongoing to implement the requirements of sections 1 and 2.

Sections 1 and 2 would require Ecology to implement rulemaking and create a permanent remittance program for on-farm fuel use and the transport of agricultural goods.

Ecology estimates the cost to implement Sections 1 and 2 would be:

IT Implementation

Section 1(2)(d) would require Ecology to develop and implement a new IT system to issue remittances no less than two times per month for persons whose fuel use is exempt. This system would register exempt suppliers and fuel users and provide a way to track fuel supply and use to qualified entities. This system would track mileage, fuel consumption, fuel price, and supplier, as well as other requirements that would be set out in the rulemaking.

Ecology assumes the number of external users interacting with the system to be significant, with entities ranging in size; including users that buy fuel in bulk from a supplier, and smaller ones, such as hobby farmers who purchase fuel at local gas stations. The complexity of this system, tracking requirements, and data management would require significant IT support to develop and implement. Ecology assumes the following resources would be necessary:

0.5 FTE IT Project Manager – Journey would be required in FY 2026 and 2027 to provide project management for development and deployment of this reporting platform, assist with business analysis and end-user needs, coordinate with other jurisdictions to ensure successful linkages in the development of the reporting platform, and oversee interactions between the reporting platform and existing reporting systems and databases. This position would serve as a primary contact for systems coordination with the stakeholders and the quality assurance reviewer.

0.5 FTE IT Business Analyst – Journey would be required in FY 2026 and 2027 and .25 FTE in FY 2028 and ongoing to provide business analysis and document end-user needs for use to develop the registration, reporting and public facing platforms. The position would review interaction between the reporting platform and existing reporting systems and databases. This position would serve as primary contact for systems coordination with the developers and end users.

0.5 FTE IT App Development – Senior would be required in FY 2026 and 0.25 FTE in FY 2027 and ongoing to implement coding and application development or installation requirements to support platform integration with existing reporting systems, and would provide ongoing code review, architecture review, maintenance, support, and validation.

2.0 FTE IT App Development – Journey would be required in FY 2026 and FY 2027 and 1.0 FTE in FY 2028 and ongoing to implement coding and application development or installation requirements to support platform integration with existing reporting systems, and would provide ongoing maintenance, support, and validation.

0.75 FTE IT Quality Assurance – Journey would be required in FY 2026 and 0.25 FTE in FY 2027 and ongoing to prepare and execute test plans against the reporting platforms and accompanying databases to provide assurance that the public would be viewing correct data.

Rulemaking

Section 1(1) would require Ecology to adopt rules to establish a remittance program for fuel used by entities whose fuel use is exempt under RCW 70A.65.080(7)(e). Ecology estimates that rulemaking would be highly complex and generate substantial public interest and input. It would require at least 2.5 years from July 1, 2025, through December 31, 2027. This type of rulemaking would include 4 preproposal meetings to gather input from interested parties and develop the Environmental Justice Assessment, and then 4 public hearings to accept comments on the rule proposal.

Rulemaking Lead:

0.85 FTE Environmental Planner 3 would be required in FY 2026, FY 2027 and 0.43 in FY 2028 coordinating the rulemaking effort as the rulemaking lead.

Technical Leads:

0.75 FTE Environmental Engineer 6 would be required in FY 2026, FY 2027, and 0.38 in FY 2028 to be the subject matter expert lead in the rulemaking

0.75 FTE Environmental Planner 5 would be required in FY 2026, FY 2027, and 0.38 in FY 2028 to provide additional subject matter expertise on the rulemaking.

0.50 FTE Environmental Specialist 5 would be required in FY 2026, FY 2027, and 0.25 in FY 2028 to serve as the tertiary subject matter expert in the rulemaking.

1.0 FTE Community Outreach and Environmental Education Specialist 3 would be required in FY 2026 and FY 2027, and 0.5 in FY 2028 to implement the Environmental Justice assessment. Since this has historically been a contentious issue and Ecology anticipates it to be a high-profile rulemaking, and outreach would be performed statewide.

Rulemaking would include 4 pre-proposal meetings, 2 online and 2 in-person and 4 public hearings, 2 online and 2 in-person in agricultural areas of the state.

0.25 FTE Economic Analyst 3 would be required in FY 2028 to complete economic impact analysis of the rule prior to it being finalized.

0.10 FTE Regulatory Analyst 2 would be required in FY 2028 to complete regulatory analysis off the rule prior to it being finalized.

Attorney General (AG) costs are estimated to be, $23,200 for 0.08 FTE of an AG in FY 2026 and FY 2027 for legal consultation during rulemaking.

Remittance Implementation

1.0 FTE Environmental Specialist 4 would be required in FY 2026 and ongoing to oversee the administration of the program and calculate the remittance levels bi-weekly and quarterly. Work would include outreach to program participants and ensure smooth program participation.

1.0 FTE Environmental Specialist 3 would be required in FY 2026 and ongoing to respond to customers, develop policies and procedures, collect data for performance metrics, and handle internal payment processing. Work would also include supporting the IT team to ensure the online system developed is functional for end users and rule requirements.

SUMMARY: The expenditure impact to Ecology under this bill is

IT Implementation is estimated to require:
FY 2026: $848,611 and 4.9 FTEs
FY 2027: $694,929 and 4.0 FTEs
FY 2028: $348,800 and 2.0 FTEs
FY 2029: $348,800 and 2.0 FTEs
FY 2030: $348,800 and 2.0 FTEs
FY 2031: $348,800 and 2.0 FTEs and ongoing

Rulemaking is estimated to require:
FY 2026: $697,999 and 4.4 FTEs
FY 2027: $674,799 and 4.4 FTEs
FY 2028: $397,337 and 2.6 FTEs.

Remittance Implementation is estimated to require:
FY 2026: $298,424 and 2.3 FTEs
FY 2027: $298,424 and 2.3 FTEs
FY 2028: $298,424 and 2.3 FTEs
FY 2029: $298,424 and 2.3 FTEs
FY 2030: $298,424 and 2.3 FTEs
FY 2031: $298,424 and 2.3 FTEs and ongoing

THE TOTAL EXPENDITURE IMPACT to Ecology under this bill is estimated to be:
FY 2026: $11,845,034 and 11.6 FTEs
FY 2027: $1,668,152 and 10.8 FTEs
FY 2028: $1,044,561 and 6.9 FTEs
FY 2029: $647,224 and 4.3 FTEs

FY 2030: $647,224 and 4.3 FTEs
FY 2031: $647,224 and 4.3 FTEs and ongoing

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.
Goods and Services are the agency average of $5,552 per direct program FTE, AG costs of $23,200 and rule facilitation costs of $6,200 in FY 2026 and FY 2027. Goods and services estimates include facility rental costs estimated at $3,100 each, for the 4 in-person meetings or hearings, totaling $12,400.
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
26B-1	Climate Investment Account	State	1,845,034	1,668,152	3,513,186	1,691,785	1,294,448
		Total $	1,845,034	1,668,152	3,513,186	1,691,785	1,294,448

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	11.6	10.8	11.2	5.6	4.3
A-Salaries and Wages	992,932	908,341	1,901,273	923,230	706,350
B-Employee Benefits	334,617	306,110	640,727	311,129	238,040
C-Professional Service Contracts					
E-Goods and Other Services	85,475	58,111	143,586	54,354	41,640
G-Travel	24,221	22,423	46,644	23,480	17,988
J-Capital Outlays	10,849	10,044	20,893	10,518	8,058
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Agency Administrative Overhead	396,940	363,123	760,063	369,074	282,372
Total $	1,845,034	1,668,152	3,513,186	1,691,785	1,294,448

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 3	67,716	1.0	1.0	1.0	0.3	
ECONOMIC ANALYST 3	95,652				0.1	
ENVIRONMENTAL ENGINEER 6	128,676	0.8	0.8	0.8	0.2	
ENVIRONMENTAL PLANNER 3	86,712	0.9	0.9	0.9	0.2	
ENVIRONMENTAL PLANNER 5	105,612	0.8	0.8	0.8	0.2	
ENVIRONMENTAL SPEC 3	74,724	1.0	1.0	1.0	1.0	1.0
ENVIRONMENTAL SPEC 4	86,712	1.0	1.0	1.0	1.0	1.0
ENVIRONMENTAL SPEC 5	95,652	0.5	0.5	0.5	0.1	
FISCAL ANALYST 2		1.0	0.9	1.0	0.5	0.4
IT APP DEVELOPMENT-JOURNEY	107,148	2.5	2.5	2.5	1.3	1.2
IT APP DEVELOPMENT-SR/SPEC	124,068	0.5	0.3	0.4	0.3	0.3
IT BUSINESS ANALYST-JOURNEY	107,148	0.5	0.5	0.5	0.3	0.3
IT PROJECT MANAGEMENT-JOURNEY	112,536	0.5	0.5	0.5		
IT QUALITY ASSURANCE-JOURNEY	107,148	0.8	0.3	0.5	0.3	0.3
REGULATORY ANALYST 2	88,800				0.1	
Total FTEs		11.6	10.8	11.2	5.7	4.3

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

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 1 would require Ecology to adopt new rules to establish a remittance program for fuel used by person whose fuel use is exempt under RCW 70A.65.070(7)(e). This would be a rule adding a section to RCW 70A.65.