Multiple Agency Fiscal Note Summary

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

Estimated Cash Receipts

NONE

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	Fiscal note not available											
Department of Ecology	4.0	0	0	1,761,397	1.7	0	0	536,310	1.7	0	0	536,310
Environmental and Land Use Hearings Office	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total $	**4.0**	**0**	**0**	**1,761,397**	**1.7**	**0**	**0**	**536,310**	**1.7**	**0**	**0**	**536,310**

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	Fiscal note not available								
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
Total $	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

Estimated Capital Budget Breakout

NONE

Prepared by: Lisa Borkowski, OFM	**Phone:** (360) 742-2239	**Date Published:** Preliminary 2/27/2025

FNPID 73840

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 1912 S 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	5.2	2.7	4.0	1.7	1.7
Account					
Climate Investment Account-State 26B-1	1,342,261	419,136	1,761,397	536,310	536,310
Total $	1,342,261	419,136	1,761,397	536,310	536,310

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:	Dan Jones	Phone: 360-786-7118	Date: 02/20/2025
Agency Preparation:	Kelcy Shaffer	Phone: 564-200-3781	Date: 02/27/2025
Agency Approval:	Garret Ward	Phone: 360-789-7938	Date: 02/27/2025
OFM Review:	Lisa Borkowski	Phone: (360) 742-2239	Date: 02/27/2025

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.

Compared to HB 1912, SHB 1912 makes the following changes related to Ecology:

Section 1 would no longer require Ecology to set up a remittance program. Instead, section 1 would require fuel sellers to register with Ecology to report volumes of exempt fuel sales by December 15, 2025.

Section 2 no longer has specifications for dyed special fuels

Section 2 would also add 7 (iii) which clarifies that fuel sold by non-registered fuel sellers does not qualify for exemptions.

Section 3 is added to specify that this act would take place immediately.

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. The law states that fuel used for agricultural purposes by a farm fuel user is exempt from compliance. Many regulated fuel suppliers in Washington pass on their compliance costs to customers through "CCA surcharges" added to the price of fuel.

Section 1 would amend 70A.65 RCW to establish a registration program that would require a retail fuel seller who elects to register with the Department of Ecology to track and report the volume of exempt fuel sales. This section would also prohibit fuel sellers from selling exempt fuels unless they register with Ecology. Each fuel supplier opted-in under this chapter must quarterly report the volume of exempt fuel they sold to end users or the volume of exempt fuel reported to the entity by retail fuel sellers.

Section 2 would amend RCW 70A.65.080 to add clarifications on law implementation interpretation. This section would also specify that fuel sold by a retail fuel seller who has not registered with Ecology would not qualify for the exemptions listed in section 2.

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 2026, 2027, 2028, 2029, 2030, 2031 and ongoing to implement the requirements of sections 1.

Implementation:

Section 1 would no longer require Ecology to set up a remittance program. Instead, this section would require fuel sellers to register with Ecology to report volumes of exempt fuel sales. In order to fulfill the requirements of this section:

Ecology assumes 1.0 FTE Management Analyst 4 in FY 2026 and ongoing would serve as the project manager and lead

administrator of the new agricultural fuels reporting program. This position would work closely with Climate Pollution Reduction (CPR) Program IT staff to develop the IT needs. This position would also work closely with communications or an outreach specialist to inform the fuel sectors of the new and optional registration system. Once the registration system is complete, this position would maintain the system and webpages, assessing the flow of data through the supply chain, supporting greenhouse gas reporting work for the fuel supply sector with a focus on exemptions, and pursuing enforcement and/or penalties for non-reporting issues, as necessary.

IT Implementation

In order to meet the requirement of section 1, Ecology assumes an IT system will need to be developed for fuel sellers to register with Ecology to report volumes of fuel sales.

Ecology estimates 0.5 FTE IT Project Management – Journey in FY 2026. This position would provide project management for development and deployment of the 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 primary contact for systems coordination with the interested parties and the quality assurance reviewer.

Ecology estimates 0.5 FTE IT Business Analyst – Journey in FY 2026. This position would provide business analysis and document end-user needs for use to develop the registration, reporting and public facing platforms. The position would review interactions 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.

Ecology estimates 1.0 FTE IT App Development – Senior in FY 2026 and 0.25 FTE ongoing. This position would 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.

Ecology estimates 0.25 FTE IT App Development – Journey in FY 2026 and ongoing. This position would implement coding and application development or installation requirements to support platform integration with existing reporting systems, and would provide ongoing maintenance, support, and validation.

Ecology estimates the need to contract in order to complete the IT component of reporting by December 2025. This contracting would be for 2 IT App Development personnel. This contract would aid in implementing coding and application development or installation requirements to support platform integration with existing reporting systems and would provide maintenance, support and validation. There is estimated to be 2,600 hours of work needed that Ecology would not be able to complete in-house on this aggressive timeline. The DES statewide contract has the average IT App Development cost to be $195 per hour. Ecology estimates the contracting would cost $507,000 and the estimated cost is included in object C.

Rulemaking

Section 1(4)(a) would require Ecology to adopt rules to implement, administer, and enforce the requirements of this section by amending WAC 173-441 and 173-446.

Ecology estimates that rulemaking would be moderately complex and generate substantial public interest and input. It would require 18 months, from July 1, 2025, to January 1, 2027. This type of rulemaking would include 1 virtual preproposal meeting to gather input from stakeholders and develop the environmental justice assessment and then virtual 1 public hearing to accept comments on the rule proposal.

Rulemaking Lead:

Ecology estimates 0.5 FTE Environmental Planner 3 in FY 2026 and 0.25 in FY 2027 to serve as the rulemaking lead.

Technical Leads:

Ecology estimates 0.25 FTE Management Analyst 4 in FY 2026, and 0.13 FTE in FY 2027 who would be informing the rulemaking process.

Ecology estimates 0.5 FTE Community Outreach and Environmental Educational Specialist 3 in FY 2026, and 0.25 in FY 2027 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.

Ecology estimates the following positions would complete an economic and regulatory analysis of the rule:

Ecology estimates 0.20 FTE Economic Analyst 3 in FY 2027
Ecology estimates 0.05 FTE Regulatory Analyst 2 in FY 2027

Attorney General Costs are estimated to be $15,000 in FY 2026 and $15,000 FY 2027.

SUMMARY: The expenditure impact to Ecology under this bill is [Enter total costs by FY and major element. Example below:

Implementation is estimated to require:
FY 2026: $163,249 and 1.2 FTEs
FY 2027: $163,249 and 1.2 FTEs
FY 2028: $163,249 and 1.2 FTEs
FY 2029: $163,249 and 1.2 FTEs
FY 2030 and ongoing: $163,249 and 1.2 FTEs

Rulemaking is estimated to require:
FY 2026: $198,939 and 1.4 FTEs
FY 2027: $150,981 and 1.0 FTEs
FY 2028: $0 and 0 FTEs
FY 2029: $0 and 0 FTEs
FY 2030: $0 and 0 FTEs
FY 2031: $0 and 0 FTEs.

IT implementation is estimated to require:
FY 2026: $980,073 and 2.6 FTEs
FY 2027: $104,906 and 0.6 FTEs
FY 2028: $104,906 and 0.6 FTEs
FY 2029: $104,906 and 0.6 FTEs
FY 2030: $104,906 and 0.6 FTEs
FY 2031: $104,906 and 0.6 FTEs and ongoing

THE TOTAL EXPENDITURE IMPACT to Ecology under this bill is estimated to be:
FY 2026: $1,342,261 and 5.2 FTEs
FY 2027: $419,136 and 2.7 FTEs
FY 2028: $268,155 and 1.7 FTEs
FY 2029: $268,155 and 1.7 FTEs
FY 2030: $268,155 and 1.7 FTEs
FY 2031: $268,155 and 1.7 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.
Professional Service Contracts include IT contracting costs to stand up the registration system in FY 2026.
Goods and Services are the agency average of $5,552 per direct program FTE. Goods and services include AGO costs in FY 2026 and FY 2027.
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	1,342,261	419,136	1,761,397	536,310	536,310
		Total $	1,342,261	419,136	1,761,397	536,310	536,310

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	5.2	2.7	4.0	1.7	1.7
A-Salaries and Wages	448,911	220,325	669,236	293,208	293,208
B-Employee Benefits	151,282	74,249	225,531	98,812	98,812
C-Professional Service Contracts	507,000		507,000		
E-Goods and Other Services	39,984	28,214	68,198	16,656	16,656
G-Travel	10,792	5,710	16,502	7,196	7,196
J-Capital Outlays	4,834	2,559	7,393	3,224	3,224
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Agency Administrative Overhead	179,458	88,079	267,537	117,214	117,214
Total $	1,342,261	419,136	1,761,397	536,310	536,310

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	0.5	0.3	0.4		
ECONOMIC ANALYST 3	95,652		0.2	0.1		
ENVIRONMENTAL PLANNER 3	86,712	0.5	0.3	0.4		
FISCAL ANALYST 2		0.5	0.2	0.4	0.2	0.2
IT APP DEVELOPMENT-JOURNEY	107,148	0.5	0.4	0.4	0.3	0.3
IT APP DEVELOPMENT-SR/SPEC	124,068	1.0	0.3	0.6	0.3	0.3
IT BUSINESS ANALYST-JOURNEY	107,148	0.5		0.3		
IT PROJECT MANAGEMENT-JOURNEY	112,536	0.5		0.3		
MANAGEMENT ANALYST 4	88,800	1.3	1.1	1.2	1.0	1.0
REGULATORY ANALYST 2	88,800		0.1	0.0		
Total FTEs		5.2	2.7	4.0	1.7	1.7

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.

This bill would amend WAC 173-441 and WAC 173-446.

Individual State Agency Fiscal Note

Bill Number: 1912 S HB	Title: Agricultural fuel/CCA ex.	Agency: 468-Environmental and Land Use Hearings Office

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

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

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Dan Jones	Phone: 360-786-7118	Date: 02/20/2025
Agency Preparation:	Dominga Soliz	Phone: 3606649173	Date: 02/22/2025
Agency Approval:	Dominga Soliz	Phone: 3606649173	Date: 02/22/2025
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.

This bill adds a new section to chapter 70A.65 RCW and makes permanent a temporary five-year exemption from Climate Commitment Act (CCA) compliance obligations for fuel used to transport agricultural products to market. The bill creates a program for tracking and ensuring that the fuel sold is actually exempt (because exemption will provide remittance payments to the fuel seller), requiring registration and reporting from fuel sellers.

Sec. 1(5) - Ecology may issue penalties for violation of section. The Pollution Control Hearings Board (PCHB) already has authority to review penalties and orders issued under chapter 70A.65.RCW (RCW 70A.65.200), so the PCHB has authority to hear appeals of penalties issued under this new section of the CCA.

The Environmental and Land Use Hearings Office (ELUHO) assumes that any impacts as a result of this bill can be absorbed by the PCHB. We assume 0-1 low complexity appeal per year as a result of the bill, potentially beginning in July 2026 following registration requirements in December 2025 and tracking and reporting requirements in January 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.

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.