

Multiple Agency Fiscal Note Summary

Bill Number: 5445 E S SB	Title: Local energy resilience
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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 Revenue	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	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						
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
Department of Commerce	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Revenue	.1	28,500	28,500	28,500	.0	0	0	0	.0	0	0	0
Utilities and Transportation Commission	.3	0	0	111,352	.0	0	0	0	.0	0	0	0
Department of Ecology	.0	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	0
Total \$	0.4	28,500	28,500	139,852	0.0	0	0	0	0.0	0	0	0

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Utilities and Transportation Commission	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Prepared by: Megan Tudor, OFM	Phone: (360) 890-1722	Date Published: Revised 4/ 3/2025
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Individual State Agency Fiscal Note

Bill Number: 5445 E S SB	Title: Local energy resilience	Agency: 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.

Legislative Contact: Kim Cushing	Phone: (360) 786-7421	Date: 03/12/2025
Agency Preparation: Joseph Piper	Phone: 360-725-3042	Date: 03/17/2025
Agency Approval: Joseph Piper	Phone: 360-725-3042	Date: 03/17/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 03/17/2025

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.

ESSB 5445 allows utilities to reduce their use of renewable electricity if they acquire additional amounts of energy conservation, demand response resources, or wind or solar generation.

Comparing ESSB 5445 to SSB 5445:

Section 1 - Additional legislative findings.

Section 2 - A new section, establishes certain types of energy resources as priority distributed resources.

Section 3 - A new section, provides statutory exemptions from the State Environmental Policy Act for solar energy generation in certain locations.

Section 4 - A new section, provides statutory exemptions from the State Environmental Policy Act for solar energy generation in certain locations.

Section 5 - A new section, specifies the addition of an agrivoltaic facility to land classified as farm and agricultural open space land does not constitute a reclassification, withdrawal, or removal from open space classification and is not subject to additional tax.

Section 6 - Was Section 2. Modifies the components of alternative compliance mechanism that was in the original bill. The Department of Commerce (Department) assumes the Department will need to commence a rulemaking in 2025 to amend existing renewable portfolio standard rules under the Energy Independence Act. The Department anticipates two online meetings of 1.5 hours each over six months, plus a final hearing to review the rules before finalizing them.

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 assumes minimal fiscal impact as ESSB 5445 would require minimal rulemaking activities. The Department estimates the following existing staffing resources to meet the intent of Section 2 and assumes there will be no fiscal impact to the Department.

Staffing:

- 5 hours WMS3 to attend the two online meetings and final hearing.
- 5 hours EMS2 to attend the two online meetings and final hearing.
- 1 hour MA4 Rules Coordinator to attend the final hearing.

Goods and Services:

The Department estimates that two hours of Attorney General fees (\$165 per hour) would be required for rules review.

Salaries and Benefits:

FY26: \$884

Goods and Services:

FY26: \$335

Indirect Costs:

FY26: \$291

Total Costs:

FY26 \$1,516

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.

Section 6: The Department assumes the Department will need to commence a rulemaking in 2025 to amend existing renewable portfolio standard rules under the Energy Independence Act.

Department of Revenue Fiscal Note

Bill Number: 5445 E S SB	Title: Local energy resilience	Agency: 140-Department of Revenue
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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 Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.2		0.1		
Account					
GF-STATE-State 001-1	28,500		28,500		
Total \$	28,500		28,500		

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: Kim Cushing	Phone: (360) 786-7421	Date: 03/12/2025
Agency Preparation: Kari Kenall	Phone: (360) 534-1508	Date: 03/17/2025
Agency Approval: Marianne McIntosh	Phone: (360) 534-1505	Date: 03/17/2025
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 03/19/2025

Request # 5445-1-1

Part II: Narrative Explanation

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

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

Note: This fiscal note reflects language in ESSB 5445, 2025 Legislative Session.

This fiscal note only addresses sections 2, 4, and 5 of the bill, which impact the Department of Revenue (department).

COMPARISON OF ENGROSSED SUBSTITUTE SENATE BILL WITH SUBSTITUTE SENATE BILL:

As it relates to the department, the engrossed substitute senate bill specifies the addition of an agrivoltaic facility to land classified as farm and agricultural land in the current use program does not represent a reclassification, withdrawal, or removal from current use program and is not subject to additional tax.

CURRENT LAW:

All real and personal property in Washington is subject to property tax each year based on its highest and best use value (100% of market value) unless the law provides a specific alternate valuation.

Article VII, Section 11 of the Washington Constitution allows the Legislature to pass laws valuing three classes of land based on their current use rather than their highest and best use. The Open Space Taxation Act (current use program), enacted in 1970, allows the valuation of eligible open space, timber, and farm and agricultural lands at their current use. This often results in a valuation of less than 100% of market value.

Land approved for current use classification must meet time and use requirements. A landowner can voluntarily withdraw, or the assessor can remove the land from the current use program. Generally, the assessor removes land from the current use program if the landowner fails to meet the use requirements. More specifically, the assessor removes farm and agricultural land if:

- The landowner is not farming the land for commercial purposes.
- The landowner uses more than 20% of the classified land for purposes other than farming and agriculture, even if it is compatible with agricultural purposes.
- A non-contiguous parcel is less than one acre or more than five acres even if it is an integral part of the farming operations.

When the land is no longer in the current use program, an additional tax, interest, and penalty apply. The calculation of additional tax equals the difference between the amount of property tax paid while in a current use classification and the amount of property tax due had the land not been in a current use classification, for the last seven years.

PROPOSAL:

The bill expands the definitions of open space land and farm and agricultural land classifications in the current use program to include lands with an agrivoltaic facility designed to be operated coincident with current purposes or uses. The bill also provides that the presence of an agrivoltaic facility is not a reason for reclassification, withdrawal, or removal from the program.

An agrivoltaic facility means:

- A solar energy generation facility designed to operate coincident with continued productive agricultural use of the land or the provision of ecological value, including habitat, or both.
- An agrivoltaic facility must not permanently or significantly degrade the agricultural or ecological productivity of the land after the facility's cessation of operation or involve the sale of a water right associated with the land.
- An agrivoltaics facility must not cause the temporary or permanent conversion of land from agricultural uses.

- An agrivoltaic facility’s design must allow the continued production of marketable and measurable agricultural products or ecosystem services under a business plan that considers soils, infrastructure, support services, water access, succession, and market access of any agricultural products produced at the facility.
- For agrivoltaic facilities featuring continued agricultural production, the solar panel array’s design and installation must support the continuation of a viable farm operation for the life of the array, and must consider, as appropriate, the availability of light, water infrastructure for crops or animals, and panel height and spacing relative to farm machinery needs.

EFFECTIVE DATE:

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

II. B - Cash receipts Impact

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

ASSUMPTIONS:

- The necessary land size for land classification in the current use program may include all agrivoltaics land and structures. The necessary gross income for land classification in the current use program does not include gross income generated from agrivoltaics facilities.

DATA SOURCES:

- County Assessors, Property data
- Economic and Revenue Forecast Council, November 2024 forecast

REVENUE ESTIMATES:

The Economic and Revenue Forecast Council predicts the state property tax levy remains below the \$3.60 limit throughout the 2027-29 biennium. This new exemption results in a shift to other taxpayers and no loss to the state levy.

This bill would allow properties to conduct commercial activities and qualify for the current use program.

Under current law, a property may be removed or partially removed from the current use program. Removing the land from the program generally increases the property owner's property taxes. This does not increase state revenues but rather shifts taxes to the property owner of the removed property. However, removing the property under current law could increase local revenues where the district is limited by certain levy limits.

County assessors assess lands under the current use program based on current use rather than market value (highest and best use). On average agricultural properties in the current use program in western Washington have a current use value of approximately \$1,700 per acre and a market value of approximately \$14,500 per acre. On average agricultural properties in the current use program in eastern Washington have a current use value of approximately \$600 per acre and a market value of approximately \$2,300 per acre. The difference in value can be significantly higher than this in areas closer to urban areas. When a property is in the current use program the tax savings because of the lower value shifts to other property owners.

PROPERTY TAX SHIFTS

This proposal allows additional activities and structures on open space land or farm and agricultural land classified in the current use program, which either continues to or now qualifies the land for classification in the program.

It is unknown how many properties now classified as open space or farm and agricultural lands for the current use program have the allowable additional activities and structures. It is also unknown how many property owners may modify their lands for agrivoltaics activities and classify those lands as open space land or farm and agricultural land in the current use program.

Thus, the state levy shift is indeterminate.

Local districts will also experience an indeterminate shift of taxes to other taxpayers. The local shift may result in a local revenue loss due to levy limits.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000): Indeterminate

Local Government, if applicable (cash basis, \$000): 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.

FIRST YEAR COSTS:

The department will incur total costs of \$28,500 in fiscal year 2026. These costs include:

- Labor Costs – Time and effort equate to 0.23 FTE.
- Amend four administrative rules.
- Update manuals and publications, create new forms, and answer questions from taxpayers and county staff.

SECOND YEAR COSTS:

The department will not incur costs in fiscal year 2027.

ONGOING COSTS:

There are no ongoing costs.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.2		0.1		
A-Salaries and Wages	18,000		18,000		
B-Employee Benefits	6,500		6,500		
E-Goods and Other Services	2,900		2,900		
G-Travel	300		300		
J-Capital Outlays	800		800		
Total \$	\$28,500		\$28,500		

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

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
EMS BAND 4	135,635	0.0		0.0		
MGMT ANALYST4	78,468	0.0		0.0		
PROPERTY AND ACQUISITION SI	78,468	0.1		0.1		
TAX POLICY SP 2	80,460	0.0		0.0		
TAX POLICY SP 3	91,068	0.1		0.0		
TAX POLICY SP 4	98,040	0.0		0.0		
WMS BAND 3	115,352	0.0		0.0		
Total FTEs		0.2		0.1		

III. C - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

Part V: New Rule Making Required

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

Should this legislation become law, the department will use the expedited process to amend the following rules:

- WAC 458-30-200, titled: "Definitions."
- WAC 458-30-295, titled: "Removal of classification."
- WAC 458-30-300, titled: "Additional tax-Withdrawal or removal from classification."
- WAC 458-30-325, titled: "Transfers between classifications-Application for reclassification."

This rulemaking will affect certain properties used for the placement of distributed energy priorities or energy storage, or that contain an agrivoltaic facility.

Individual State Agency Fiscal Note

Bill Number: 5445 E S SB	Title: Local energy resilience	Agency: 215-Utilities and Transportation Commission
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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	0.6	0.0	0.3	0.0	0.0
Account					
Public Service Revolving Account-State 111-1	111,352	0	111,352	0	0
Total \$	111,352	0	111,352	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:

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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: Kim Cushing	Phone: (360) 786-7421	Date: 03/12/2025
Agency Preparation: Michelle Parish	Phone: 360-664-1158	Date: 04/01/2025
Agency Approval: Michelle Parish	Phone: 360-664-1158	Date: 04/01/2025
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 04/03/2025

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.

Section 1 describes how regional forecasts estimate that demand for electricity will increase 30% in the next decade. This section states the legislature’s intent to establish an alternative compliance pathway in the existing Energy Independence Act (EIA) for utilities who invest in distributed energy priority projects. (No Fiscal Impact)

New Section 2 adds a new section to chapter 43.21F, listing various categories of clean energy facilities that reduce environmental impacts and are determined to constitute distributed energy priorities. (No Fiscal Impact)

New Section 3 adds a new section to chapter 43.21C and outlines various categorical exemptions, except when undertaken wholly or partly on lands covered by water. (No Fiscal Impact)

Section 4 amends RCW 84.34.020 and 2014 c 125 s 2, including definitions that apply throughout. (Fiscal Impact related to Section 6 requirements)

Section 5 amends RCW 84.34.070 and 2017 c 251 s 1 and adds agrivoltaics facility to farm and agricultural lands and further clarifies reclassification for the purposes of this chapter. (No Fiscal Impact)

Section 6 amends RCW 19.285.040 and 2024 c 278 s 2 to: (1) add a provision that states that a qualifying utility shall use any combination of eligible renewable resources as defined under RCW 19.285.030(12) and distributed energy priority project as defined in subsection (4) to meet compliance obligations under subsection 2 of this section, and (2) define the terms “Accelerated conservation” as excess of the biennial target; “demand response” as the same meaning in RCW 19.405.020; and “distributed energy priority project,” which includes (i) Accelerated conservation and (ii) demand response (iii) distributed energy storage (iv) distributed solar generation; and (v) distributed wind generation. Section 6 further clarifies the following have the same meaning in section 2(1)(c) of this act: “distributed energy storage,” “distributed solar energy generation,” and “distributed wind generation.” UTC assumes a complex rulemaking in Q2-2025 and plans to coordinate with the Department of Commerce in this timeframe. UTC will be required to amend existing renewable portfolio standard rules under the EIA. (Fiscal Impact)

New Section 7 adds general application of provisions clarifications. (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.

UTC assumes no cash receipts will go to UTC as a result of this legislation.

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.

Sec. 6 Joint rulemaking with Commerce - In coordination with the Department of Commerce, a rulemaking to amend existing EIA rules is anticipated to require two workshops, two comment periods, and a final hearing. UTC assumes a simple rulemaking beginning in Q2-2025 to be completed by June 2026.

FY 2026-\$111,352

(Administrative Law Judge = 0.08 FTE; Commissioner = 0.02 FTE; Consumer Program Specialist 3 = 0.14 FTE; Deputy

Director, Energy Planning = 0.02; Director, Regulatory Services = 0.02 FTE; Paralegal 1 = 0.03 FTE; Energy Policy Advisor = 0.06 FTE; Regulatory Analyst 2 = 0.02 FTE; Regulatory Analyst 3 = 0.14 FTE; Attorney General = 0.10 FTE)

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
111-1	Public Service Revolving Account	State	111,352	0	111,352	0	0
Total \$			111,352	0	111,352	0	0

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.6		0.3		
A-Salaries and Wages	75,749		75,749		
B-Employee Benefits	26,513		26,513		
C-Professional Service Contracts					
E-Goods and Other Services	9,090		9,090		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	111,352	0	111,352	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
Administrative Law Judge	115,008	0.1		0.0		
Attorney General	237,600	0.1		0.1		
Commissioner	149,532	0.0		0.0		
Cons Prog Spec 3	72,924	0.1		0.1		
Deputy Director, Energy Planning	122,472	0.0		0.0		
Director, Regulatory Services	144,108	0.0		0.0		
Paralegal 1	71,148	0.0		0.0		
Policy Advisor, Energy	104,568	0.1		0.0		
Regulatory Analyst 2	88,800	0.0		0.0		
Regulatory Analyst 3	100,524	0.1		0.1		
Total FTEs		0.6		0.3		0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

UTC assumes it will need to commence a rulemaking in FY2026 to amend existing renewable portfolio standard rules under the Energy Independence Act (RCW 19.285, EIA).

Individual State Agency Fiscal Note

Bill Number: 5445 E S SB	Title: Local energy resilience	Agency: 461-Department of Ecology
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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

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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: Kim Cushing	Phone: (360) 786-7421	Date: 03/12/2025
Agency Preparation: Sam Weinstein	Phone: (564) 250-2427	Date: 03/17/2025
Agency Approval: Garret Ward	Phone: 360-789-7938	Date: 03/17/2025
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 03/17/2025

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 3 would create an exemption to chapter 43.21C RCW, State Environmental Policy Act (SEPA). The exemption would not apply to actions undertaken wholly or partly on lands covered by water. The exemption would cover:

- Constructing structures smaller than 1,000 square feet that support solar panels or associated equipment
- Constructing elevated structures over parking lots that support solar panels or associated equipment
- Solar energy generation, storage, and transmission and distribution lines if the facilities do not involve penetrating an asphalt or soil cap; are served by and accessible to emergency fire response services; and are built wholly on a closed or capped portion of landfills or reclaimed or former surface mine land

This exemption would not conflict or overlap with existing regulatory exemptions, so it would not require rulemaking. Ecology would only have to update its SEPA guidance to account for the new exemption. Therefore, there would be no fiscal impact to Ecology.

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

Bill Number: 5445 E S SB	Title: Local energy resilience	Agency: 468-Environmental and Land Use Hearings Office
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Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

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: Kim Cushing	Phone: (360) 786-7421	Date: 03/12/2025
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 03/13/2025
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 03/13/2025
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 03/13/2025

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.

Although this bill amends the State Environmental Policy Act (SEPA) to add an exemption for certain projects, it does not have a direct nexus to Environmental and Land Use Hearings Office (ELUHO) boards. Therefore, ELUHO does not anticipate any impacts 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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5445 E S SB	Title: Local energy resilience
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☐ Cities:
- ☒ Counties: All counties. Potential revenue loss due to an indeterminate shift of taxes to other taxpayers.
- ☐ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☒ Legislation provides local option: Cities that own an electric utility and electric public utility districts have the option to invest in local energy resilience projects.
- ☐ Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.
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Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Kristine Williams	Phone: (564) 250-5931	Date: 03/19/2025
Leg. Committee Contact: Kim Cushing	Phone: (360) 786-7421	Date: 03/12/2025
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 03/19/2025
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 03/19/2025

Part IV: Analysis

A. SUMMARY OF BILL

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

This note is on ES SB 5445 and compares it to S SB 5445.

CHANGES BETWEEN THIS VERSION AND THE PRIOR VERSION OF THE BILL:

This version of the bill includes the following changes:

- A list of distributed energy projects and activities which are considered to be distributed energy priorities (DEPs) is included.
- Agrivoltaics facilities must meet certain criteria to be considered a DEP.
- Categorical exemptions are provided for certain energy generation actions under the State Environmental Policy Act.
- The addition of an agrivoltaics facility to land classified as farm and agricultural open space land does not constitute a reclassification, withdrawal, or removal from open space classification and is not subject to additional tax.

These changes affect the revenue impacts discussed below.

SUMMARY OF CURRENT BILL:

This legislation would establish an alternate compliance pathway in the Energy Independence Act (EIA) for utilities that invest in local energy resilience projects and provide a categorical exemption under the State Environmental Policy Act for certain distributed energy priority project activities. The legislation also expands the definitions of open space land and farm and agricultural land classifications in the current use program to include lands with an agrivoltaic facility designed to be operated coincident with current purposes or uses. The presence of an agrivoltaic facility is not a reason for reclassification, withdrawal, or removal from the program.

This legislation would take 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 bill would not impact local government expenditures due to the local option.

If a local government chose to adopt the local option to invest in an energy resilience project(s), there could potentially be cost savings for the utility. However, these savings would vary by project and cannot be estimated.

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.

CHANGES IN REVENUE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

This version of the bill specifies that the addition of an agrivoltaic facility to land classified as farm and agricultural land in the current use program does not represent a reclassification, withdrawal, or removal from current use program and is not subject to additional tax.

REVENUE IMPACTS OF CURRENT BILL:

This proposal allows additional activities and structures on open space land or farm and agricultural land classified in the current use program, which either continues to or now qualifies the land for classification in the program. It is unknown how many properties now classified as open space or farm and agricultural lands for the current use program have the allowable additional activities and structures. It is also unknown how many property owners may modify their lands for agrivoltaics activities and classify those lands as open space land or farm and agricultural land in the current use program. Local governments that adopt the local option will experience an indeterminate shift of taxes to other taxpayers. The local shift may result in a local revenue loss due to levy limits. The revenue impacts of this legislation are indeterminate.

SOURCES

Association of Washington Cities (AWC)

Department of Revenue FN E SSB 5445 (2025)