

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5804 S SB	<b>Title:</b> Fish habitat restoration
-------------------------------	--

## 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
Bond Retirement and Interest	0	0	333,333,333	0	0	666,666,666	0	0	666,666,666
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Revenue	1,030,000	1,030,000	0	33,880,000	33,880,000	0	53,940,000	53,940,000	0
<b>Total \$</b>	<b>1,030,000</b>	<b>1,030,000</b>	<b>333,333,333</b>	<b>33,880,000</b>	<b>33,880,000</b>	<b>666,666,666</b>	<b>53,940,000</b>	<b>53,940,000</b>	<b>666,666,666</b>

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
Bond Retirement and Interest	.0	0	0	2,000,000	.0	0	0	71,771,798	.0	0	0	161,383,416
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Lieutenant Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of State Treasurer	.5	0	0	695,000	.5	0	0	240,000	.5	0	0	240,000
Department of Commerce	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Revenue	.7	283,800	283,800	283,800	.1	21,400	21,400	21,400	.1	21,400	21,400	21,400
Utilities and Transportation Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Transportation	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Fish and Wildlife	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>1.2</b>	<b>283,800</b>	<b>283,800</b>	<b>2,978,800</b>	<b>0.6</b>	<b>21,400</b>	<b>21,400</b>	<b>72,033,198</b>	<b>0.6</b>	<b>21,400</b>	<b>21,400</b>	<b>161,644,816</b>

## Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Bond Retirement and Interest	.0	0	0	.0	0	0	.0	0	0
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Office of Lieutenant Governor	.0	0	0	.0	0	0	.0	0	0
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	Non-zero but indeterminate cost and/or savings. Please see discussion.								
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 Transportation	.0	0	0	.0	0	0	.0	0	0
Department of Fish and Wildlife	.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>

## Estimated Capital Budget Breakout

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

--

<b>Prepared by:</b> Megan Tudor, OFM	<b>Phone:</b> (360) 890-1722	<b>Date Published:</b> Final 4/16/2025
--------------------------------------	---------------------------------	---

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5804 S SB	<b>Title:</b> Fish habitat restoration	<b>Agency:</b> 010-Bond Retirement and Interest
-------------------------------	--	---

## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
Federal Injunction Salmon Habitat Restoration Account-State NEW-1		333,333,333	333,333,333	666,666,666	666,666,666
<b>Total \$</b>		333,333,333	333,333,333	666,666,666	666,666,666

### Estimated Operating Expenditures from:

Account	FY 2026	FY 2027	2025-27	2027-29	2029-31
Federal Injunction Salmon Habitat Bond Retirement Account-State NEW-1	0	0	0	67,771,798	157,383,416
Federal Injunction Salmon Habitat Restoration Account-State NEW-1	0	2,000,000	2,000,000	4,000,000	4,000,000
<b>Total \$</b>	0	2,000,000	2,000,000	71,771,798	161,383,416

### 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:	Phone:	Date: 04/09/2025
Agency Preparation: Austin Goble	Phone: 360-902-9028	Date: 04/10/2025
Agency Approval: Leslie Yonkers	Phone: (360) 902-9024	Date: 04/10/2025
OFM Review: Myra Baldini	Phone: (360) 688-8208	Date: 04/14/2025

## 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

- Creates a tax on the income of light and power business, with the revenues deposited into a new account, the Federal Injunction Salmon Habitat Restoration Account.

#### Section 7

- Creates the Federal Injunction Salmon Habitat Bond Retirement Account.
- The Federal Injunction Salmon Habitat Bond Retirement Account is dedicated to the payment of principal and interest authorized in Section 8 and in accordance with the State Finance Committee's (SFC) bond proceedings.
- The State Treasurer will withdraw from the Federal Injunction Salmon Habitat Restoration Account and deposit into the Federal Injunction Salmon Habitat Bond Retirement Account in amounts and at times required by the SFC's bond proceedings.

#### Section 8

- Authorizes the SFC to issue special tax revenue bonds in an amount not to exceed \$5,000,000,000. Proceeds of the bonds are to be deposited into the Federal Injunction Salmon Habitat Restoration Account.
- The bonds are payable from the Federal Injunction Salmon Habitat Restoration Account.
- Enables the SFC to determine terms, provisions, covenants, and conditions for issuing the bonds.
- Allows the SFC to issue tax-exempt or taxable bonds and requires the State Treasurer to submit written notice to the director of financial management if any bonds should be issued as taxable bonds.

#### Section 9

- The authorization does not expire until the full authorization has been issued or fully dispersed.
- Prohibits debt service from expending past December 31, 2075.

#### Section 10

- The bonds are not a general obligation of the state, and do not include a pledge of the state's full faith, credit, and taxing power.
- Each bond must distinctly state that payment or redemption of the bond and payment of the interest and any premium thereon is payable solely from and secured solely by a pledge of the revenues derived from the special tax imposed in the act and received in the Federal Injunction Salmon Habitat Restoration Account, and is not a general obligation of the state.
- The Legislature agrees to impose the special tax at rates sufficient to pay the bonds and pledges to appropriate revenues to pay the debt service.
- Requires the SFC to include the Legislature's agreement and pledge to bond owners.

#### Section 11

- Creates the Federal Injunction Salmon Habitat Restoration Account.
- Proceeds from the sale of the bonds must be deposited in the account.
- Moneys in the account may be spent only after appropriation.
- Moneys collected from the special tax imposed in this act must be deposited in the account and must first be used to secure debt service of the bonds.

#### Section 12

- Specifies that the SFC may refund outstanding bonds.
- Refunding bonds must be issued and secured in the manner provided by the SFC.

## Section 13

- Stipulates that if the Washington state supreme court finds the bonds are subject to the constitutional debt limit, then the bond authorization expires on the date of the court's decision.

## 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 11

- Requires the proceeds from the sale of the bonds to be deposited in the Federal Injunction Salmon Habitat Account.

Since no spending plan was identified, we have assumed that the \$5 billion dollar authorization will be divided equally over 15 annual issuances. The first series of bonds are assumed to be issued on 1/1/2027, one year after the start of revenue collection.

This equates to \$333,333,333 of bonds being issued annually from FY 2027 through FY 2041.

## 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 estimated debt service (principal and interest) to be paid from the Federal Injunction Salmon Habitat Bond Retirement Account assumes that all bonds will be issued as tax-exempt bonds.

Per Section 7 of the act, the State Treasurer will withdraw from the Federal Injunction Salmon Habitat Restoration Account and deposit into the Federal Injunction Salmon Habitat Bond Retirement Account in amounts and at times required by the SFC's bond proceedings. It is assumed the State Treasurer will follow a monthly transfer schedule of 1/12th of principal and 1/6th of interest payments required for annual debt service requirements.

The first debt service payment is estimated to be in FY 2027 for \$22.3 million. The maximum annual debt service for the authorized bonds reaches \$338.6 million in FY 2042. The estimated aggregate amount of debt service for the entire program (from FY 2027 through FY 2066) totals \$8.466 billion. If the bonds are issued as taxable bonds, then the interest costs will be higher.

The total cost of issuance is assumed to be 0.60% of gross bond proceeds, which equates to \$2 million per bond sale and \$30 million for the 15-year issuance assumption (FY 2027 through FY 2041).

The assumed interest rates are based on the rates used in the March 2025 Debt Model plus a 25-basis-point revenue bond adjustment. Actual interest rates will be influenced by the revenue bond rate covenant approved by the SFC, ratings, and the credit quality of the revenue stream. Additionally, please note that interest rates are volatile and are subject to change and will not be locked in until each series of bonds are sold. If actual interest rates are higher than projected, debt service costs will also be higher than projected. Likewise, if interest rates are lower than projected, debt service costs will be lower than projected.

Please see the attached spreadsheet for detailed cost of issuance and debt service expenditures by fiscal year. We note that maximum annual debt service based on these assumptions is equal to \$338.6 million. This amount is significantly in excess of the revenue projections provided by the Department of Revenue, making it appear unlikely that the revenue stream will support \$5 billion of new bonds.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
NEW-1	Federal Injunction Salmon Habitat Bond Retirement Account	State	0	0	0	67,771,798	157,383,416
NEW-1	Federal Injunction Salmon Habitat Restoration Account	State	0	2,000,000	2,000,000	4,000,000	4,000,000
<b>Total \$</b>			0	2,000,000	2,000,000	71,771,798	161,383,416

### III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts		333,333	333,333	666,666	666,666
E-Goods and Other Services		1,666,667	1,666,667	3,333,334	3,333,334
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service				67,771,798	157,383,416
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	0	2,000,000	2,000,000	71,771,798	161,383,416

**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)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Other Revenue Bond Debt (405)		1,666,667	1,666,667	71,105,132	160,716,750
Bond Sale Expenditures (406)		333,333	333,333	666,666	666,666
<b>Total \$</b>		2,000,000	2,000,000	71,771,798	161,383,416

## 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> 5804 S SB	<b>Title:</b> Fish habitat restoration	<b>Agency:</b> 075-Office of the Governor
-------------------------------	--	---

## 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:	Phone:	Date: 04/09/2025
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 04/14/2025
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 04/14/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 04/15/2025

## 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 of the substitute bill is revised to allow the State Finance Committee to issue special tax revenue bonds funded by a tax on light and power utility businesses.

Section 15 was added which requires section 2 through 5 to take effect on January 1, 2026.

Changes in the substitute do not impact the Office of the Governor's previous fiscal note assumptions.

SB 5804 creates a tax on light and power utility projects for improving salmon and steelhead recovery and habitat restoration by addressing projects identified in response the federal injunction.

The State Finance Committee may issue special tax obligation bonds in the amounts of \$5B or less and not to exceed 15 years.

The Governor, who is a member of the State Finance Committee, doesn't anticipate a fiscal impact associated with this 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> 5804 S SB	<b>Title:</b> Fish habitat restoration	<b>Agency:</b> 080-Office of Lieutenant Governor
-------------------------------	--	--

## 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:	Phone:	Date: 04/09/2025
Agency Preparation: Ian Shelley	Phone: (360) 407-2243	Date: 04/10/2025
Agency Approval: Ian Shelley	Phone: (360) 407-2243	Date: 04/10/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 04/14/2025

## 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.*

Substitute SB 5804 – Concerning Fish Habitat Restoration

CHANGES FROM ORIGINAL SB 5804 TO SUBSTITUTE SB 5804

- Tax rate established in section 3 is adjusted from 2.011 percent to 2.01053 percent.
- Account creations are updated.
- 15 year authorization time period to issue bonds is removed.
- Authorizes use of funds for local and state projects dependent on mediation or settlement agreements.
- Delays effective date of tax provisions until 1/1/2026.

#### FISCAL IMPACT STATEMENT

•Changes from the original SB 5804 to Substitute SB 5804 do not change the fiscal impact for the Office of the Lieutenant Governor (LTG). The LTG expects no fiscal impact. The Lieutenant Governor serves on the State Finance Committee, and the committee has new responsibilities under this bill. The LTG office assumes that the new committee responsibilities will not cause an increase in expenditures to the LTG office.

### 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> 5804 S SB	<b>Title:</b> Fish habitat restoration	<b>Agency:</b> 090-Office of State Treasurer
-------------------------------	--	--

## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
Public Works Assistance Account-State 058-1	57,000,000	57,000,000	114,000,000	114,000,000	114,000,000
Move Ahead WA Account-State 26P-1	(57,000,000)	(57,000,000)	(114,000,000)	(114,000,000)	(114,000,000)
<b>Total \$</b>					

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

### Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.5	0.5	0.5	0.5	0.5
<b>Account</b>					
State Treasurer's Service Account-State 404-1	350,000	345,000	695,000	240,000	240,000
<b>Total \$</b>	350,000	345,000	695,000	240,000	240,000

### 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:	Phone:	Date: 04/09/2025
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 04/15/2025
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 04/15/2025
OFM Review: Myra Baldini	Phone: (360) 688-8208	Date: 04/15/2025

## 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.*

SSB 5804 creates the federal injunction salmon habitat restoration account and federal injunction salmon habitat bond retirement account. The general fund is the recipient of the earnings from investments under RCW 43.84.092(4).

The state finance committee may issue special tax obligation bonds in amounts not to exceed the sum of \$5,000,000,000.

### 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.*

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable.

There may be an impact on the debt service limitation calculation. Changes to the earnings credited to the general fund impacts, by an equal amount, general state revenues.

Under section 6(2), the requirement for the state treasurer to transfer \$57,000,000 each year from the public works assistance account to the move ahead WA account is removed - the fiscal impact is included in this fiscal note.

The state finance committee may issue special tax obligation bonds. Please refer to the fiscal note for agency 010 submitted by the Office of the State Treasurer.

### 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 additional workload cannot be absorbed within current practices and resources. We require one-half FTE and related expenditure authority for salaries, benefits, legal fees, and goods & services.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
404-1	State Treasurer's Service Account	State	350,000	345,000	695,000	240,000	240,000
<b>Total \$</b>			350,000	345,000	695,000	240,000	240,000



**III. B - Expenditures by Object Or Purpose**

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.5	0.5	0.5	0.5	0.5
A-Salaries and Wages	69,000	69,000	138,000	138,000	138,000
B-Employee Benefits	21,000	21,000	42,000	42,000	42,000
C-Professional Service Contracts					
E-Goods and Other Services	260,000	255,000	515,000	60,000	60,000
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-					
<b>Total \$</b>	350,000	345,000	695,000	240,000	240,000

**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
Special Tax Obligation Bond Manager	138,000	0.5	0.5	0.5	0.5	0.5
<b>Total FTEs</b>		0.5	0.5	0.5	0.5	0.5

**III. D - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

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

NONE

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

NONE

**Part V: New Rule Making Required**

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

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5804 S SB	<b>Title:</b> Fish habitat restoration	<b>Agency:</b> 103-Department of Commerce
-------------------------------	--	---

## Part I: Estimates

No Fiscal Impact

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

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

*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:	Phone:	Date: 04/09/2025
Agency Preparation: Jodi Barnes	Phone: (564) 669-0071	Date: 04/15/2025
Agency Approval: Jodi Barnes	Phone: (564) 669-0071	Date: 04/15/2025
OFM Review: Myra Baldini	Phone: (360) 688-8208	Date: 04/15/2025

## 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.*

Difference between SSB 5804 and SB 5804:

Section 15 specifies that the tax revenue diversions would not take effect until January 1, 2026.

SSB 5804 would not modify the fiscal impact to the Public Works Board.

Bill Summary:

Section 2 adds a new section to chapter 82.16 RCW, creating a special utility tax to fund via bonds Washington's \$5 billion obligation to remove barriers to fish passage, particularly road culverts.

Section 2 amends RCW 82.16.020 and removes authority for the Public Works Assistance Account (PWAA) to receive a share of the public utility tax (PUT) revenues, which includes 20% of the tax on water distribution businesses and 60% of the tax on sewerage collection businesses. This returns authority for these resources to the State General Fund (GF-S).

Section 3 adds a new section to 82.16 RCW, levying 2.011% of PUT on light and power businesses dedicated solely for the Federal Injunction Salmon Habitat (FISH) Restoration Account to remove barriers to fish passage.

Section 4 amends RCW 82.18.040 and removes authority for the PWAA to receive 100% of solid waste collection revenues. This returns authority for these resources to the State General Fund (GF-S).

Section 5 amends RCW 82.45.230 and removes authority for the PWAA to receive 5.2% of the state share of real estate excise tax (REET) revenues and provides that authority to the GF-S.

Section 6 amends RCW 43.155.050 and eliminates authority for PWAA funds to be transferred to the Move Ahead Washington Account in support of state transportation projects and continues authorization for PWAA funds in 2025-27 to the Community Aviation Revitalization Board. Various technical updates are also made, which remove outdated statutory references.

Sections 7-13 of this act constitute new sections for Title 77 RCW:

Section 7 creates the Federal Injunction Salmon Habitat Restoration account (FISH) in the State Treasury. Account moneys may only be spent after legislative appropriation for payment of bond principal and interest.

Section 8 authorizes the State Finance Committee to issue up to \$5B in special obligation bonds to fund fish barrier projects, determine bond price, and determine whether bonds will be tax-exempt.

Section 9 provides that FISH bonds may be issued for a maximum of 15 years. The State Finance Committee may shorten the issuance period based on fiscal needs. Bond issuance must be structured to ensure all debt service obligations are fully repaid by December 31, 2075.

Section 10 specifies that bond repayment is secured solely by FISH tax revenues and not the state's full faith, credit, and taxing power; each bond much state such. The Legislature commits to use the designated tax revenues to meet the debt obligations.

Section 11 creates the FISH Account in the State Treasury into which bond proceeds will be deposited. Funds can only be

spent after legislative appropriation. Funds must be used solely for FISH projects in compliance with United States v. Washington.

Section 12 authorizes the state finance committee to issue special tax revenue bonds to refund outstanding bonds, payment of redemption premiums and any interest.

Section 13 authorizes the State Finance Committee to issue refunding bonds to replace or pay off existing bonds, or to purchase, pay at maturity, or redeem outstanding bonds.

Section 14 states that if it is ruled by the Washington State Supreme Court that special tax obligation bonds cannot be issued, sections 8-10, 12, and 13 automatically expire on the date of the court’s decision. This would not nullify proposed transfers of existing state revenues intended to address fish habitat restoration projects identified in response to the injunction issues under United States v. Washington.

Section 15 specifies that the tax revenue diversions would not take effect until January 1, 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.*

SSB 5804 proposes to divert the PWAA's three tax revenue sources, including the real estate excise tax, public utility tax and solid waste collection tax. According to the Department of Revenue, the cumulative effect of these changes represents \$1,172,670,000 in revenue losses for the PWAA.

Section 6(2) removes the transfer from the Public Works Assistance Account to the Move Ahead Washington Account of \$57,000,000 each fiscal year beginning 2026 through 2038.

**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.*

SSB 5804 would not impact Public Works Board expenditures.

**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**

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

**IV. B - Expenditures by Object Or Purpose**

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

**IV. C - Capital Budget Breakout**

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

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

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

NONE

The impact of SSB 5804 on potential capital appropriations to the Public Works Board is indeterminate.

SSB 5804 diverts all three tax revenue streams, which comprise the majority of revenues to the Public Works Assistance Account (PWAA). According to the Department of Revenue, the cumulative effect of these changes represents \$1,172,670,000 in reduced revenues for the PWAA. This may likely result in reduced appropriation levels from the PWAA. This dynamic would not preclude the Public Works Board from receiving appropriation authority from other sources, such as the state building construction account. However, it is unknown at what level or what frequency any complementary appropriations from other funding sources may occur.

**Part V: New Rule Making Required**

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

# Department of Revenue Fiscal Note

<b>Bill Number:</b> 5804 S SB	<b>Title:</b> Fish habitat restoration	<b>Agency:</b> 140-Department of Revenue
-------------------------------	--	--

## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

Account	FY 2026	FY 2027	2025-27	2027-29	2029-31
GF-STATE-State 01 - Taxes 28 - Solid Waste Coll Tax	31,850,000	80,270,000	112,120,000	172,040,000	188,100,000
GF-STATE-State 01 - Taxes 35 - Public Utilities Tax	(65,010,000)	(167,210,000)	(232,220,000)	(331,010,000)	(345,850,000)
GF-STATE-State 01 - Taxes 57 - Real Estate Excise	33,980,000	87,150,000	121,130,000	192,850,000	211,690,000
Public Works Assistance Account-State 01 - Taxes 28 - Solid Waste Coll Tax	(31,850,000)	(80,270,000)	(112,120,000)	(172,040,000)	(188,100,000)
Public Works Assistance Account-State 01 - Taxes 35 - Public Utilities Tax	(12,090,000)	(30,170,000)	(42,260,000)	(63,810,000)	(68,670,000)
Public Works Assistance Account-State 01 - Taxes 57 - Real Estate Excise	(33,980,000)	(87,150,000)	(121,130,000)	(192,850,000)	(211,690,000)
NEW-State 01 - Taxes 35 - Public Utilities Tax	77,100,000	197,380,000	274,480,000	394,820,000	414,520,000
<b>Total \$</b>					

### Estimated Expenditures from:

Account	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.1	0.2	0.7	0.1	0.1
GF-STATE-State 001-1	258,900	24,900	283,800	21,400	21,400
<b>Total \$</b>	258,900	24,900	283,800	21,400	21,400

### 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:	Phone:	Date: 04/09/2025
Agency Preparation: Alex Merk-Dyes	Phone: (360) 534-1601	Date: 04/10/2025
Agency Approval: Marianne McIntosh	Phone: (360) 534-1505	Date: 04/10/2025
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 04/15/2025

Request # 5804-2-1

## 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 SSB 5804, 2025 Legislative Session.

This fiscal note only addresses sections 2 through 5 of the bill, which impacts the Department of Revenue (department).

#### COMPARISON OF SUBSTITUTE BILL WITH THE ORIGINAL:

The substitute changed the new public utility (PU) tax from 2.011% to 2.01053% and the effective date from 90 days after session to January 1, 2026.

#### CURRENT LAW:

Income from light and power businesses is subject to the power PU tax.

The power PU tax rate is 3.62%, with an additional 7% tax on the tax payable for a combined tax rate of 3.8734%. The revenue from the power PU tax is deposited into the General Fund.

The following revenues fund the Public Works Assistance Account (PWAA):

- 5.2% of real estate excise tax (REET)
- 20% of water distribution PU tax
- 60% of sewer collection PU tax
- 100% of solid waste collection tax

The state REET is a tax on the sale of real property. REET also applies to transfers of controlling interest (50% or more) in entities that own real property in the state. The rate is 1.28% for real property sales of property with a predominate use of:

- Farm and agricultural land or farm and agricultural conservation land (must be in the current use property tax program)
- Timberland (must be in either the current use or designated forest land property tax programs) including any structures on the land and any standing timber on or sold apart from the land.

For all other types of property, the following rates apply through December 31, 2026, to the following selling price threshold:

- 1.10% for the portion of the selling price less than or equal to \$525,000.
- 1.28% for the portion of the selling price greater than \$525,000 and less than or equal to \$1.525 million.
- 2.75% for the portion of the selling price greater than \$1.525 million and less than or equal to \$3.025 million.
- 3.00% for the portion of the selling price greater than \$3.025 million.

Beginning July 1, 2022, and every fourth year thereafter, the department:

- Adjusts the selling price threshold of the first tier to reflect the lesser of the growth of the consumer price index for shelter or 5%. If the growth is less than 0%, the current selling price threshold applies.
- Adjusts the selling price threshold of the remaining tiers by the dollar amount of increase in the first tier.
- The updated selling price thresholds apply beginning January 1 of every fourth year, beginning January 1, 2023.

Distributions of state REET revenue are as follows:

- 5.2% deposited in the public works assistance account.
- 1.4% deposited in the city-county assistance account.
- 79.4% deposited in the general fund.
- Remainder deposited in the education legacy trust account.



**PROPOSAL:**

The bill reduces the power PU tax rate to 1.741%. With the additional 7% tax on the tax payable, the combined tax is 1.8629%.

The bill ends the following transfers to the PWAA from the General Fund:

- 5.2% of REET.
- 20% of water distribution PU tax.
- 60% of sewer collection PU tax.
- 100% of solid waste collection tax.

The bill changes the distributions of state REET revenue to be as follows:

- 1.4% deposited in the city-county assistance account.
- 84.6% deposited in the general fund.
- Remainder deposited in the education legacy trust account.

This proposal adds a new PU tax on income from the light and power businesses at a rate of 2.01053%, and the proceeds are deposited into the new Federal Injunction Salmon Habitat Restoration Account.

**EFFECTIVE DATE:**

This bill takes effect on January 1, 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.*

**ASSUMPTIONS**

- The legislation takes effect January 1, 2026, impacting five months of cash collections in fiscal year 2026.
- The annual growth rates reflect the Economic and Revenue Forecast Council’s November 2024 taxable public utility tax and real estate excise tax forecast and the Department of Revenue's solid waste collection tax forecast.
- The NEW funds in the table above correspond to the following:  
NEW- Federal Injunction Salmon Habitat Restoration Account

**DATA SOURCES**

- Department of Revenue, Excise tax return data
- Department of Revenue, Monthly revenue activity
- Economic and Revenue Forecast Council, November 2024 forecast
- Department of Revenue, November 2024 non-general fund forecast

**REVENUE ESTIMATES**

This legislation results in a zero net revenue impact.

**TOTAL REVENUE IMPACT:**

State Government (cash basis, \$000):

FY 2026 -	\$ 0
FY 2027 -	\$ 0
FY 2028 -	\$ 0
FY 2029 -	\$ 0
FY 2030 -	\$ 0
FY 2031 -	\$ 0

Local Government, if applicable (cash basis, \$000): None.

## II. C - Expenditures

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

### ASSUMPTIONS:

This legislation will affect 150 power and light taxpayers.

### FIRST YEAR COSTS:

The department will incur total costs of \$258,900 in fiscal year 2026. These costs include:

Labor Costs – Time and effort equate to 1.14 FTEs.

- Set up, program, and test computer system changes for a new PU tax line code.
- Create a new fund for salmon habitat restoration.
- Update electronic and paper returns for the tax rate change and new line code.
- Make changes to the dedicated funding for graduated REET. Test systems and update manuals for the new funding splits.
- Set up new tax and accounts in accounting systems and in reports.
- Perform routine accounting duties for the new account.
- Create a special notice and update relevant information on the department's website.
- Respond to data requests and questions, compile statistics, and manage data.
- Amend one administrative rule.

Object Costs - \$98,000.

- Contract computer system programming.

### SECOND YEAR COSTS:

The department will incur total costs of \$24,900 in fiscal year 2027. These costs include:

Labor Costs – Time and effort equate to 0.2 FTE.

- Perform routine accounting duties for the new account.
- Respond to data requests and questions, compile statistics, and manage data.

### ONGOING COSTS:

Ongoing costs for the 2027-29 biennium equal \$21,400 and include performing routine accounting duties for the new account. Time and effort equate to 0.1 FTE.

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.1	0.2	0.7	0.1	0.1
A-Salaries and Wages	102,800	15,900	118,700	13,600	13,600
B-Employee Benefits	37,000	5,700	42,700	4,800	4,800
C-Professional Service Contracts	98,000		98,000		
E-Goods and Other Services	16,700	2,900	19,600	2,600	2,600
J-Capital Outlays	4,400	400	4,800	400	400
<b>Total \$</b>	<b>\$258,900</b>	<b>\$24,900</b>	<b>\$283,800</b>	<b>\$21,400</b>	<b>\$21,400</b>

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

<b>Job Classification</b>	<b>Salary</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>2025-27</b>	<b>2027-29</b>	<b>2029-31</b>
EMS BAND 4	135,635	0.0		0.0		
FISCAL ANALYST 4	67,716	0.1	0.1	0.1	0.1	0.1
IT B A-JOURNEY	94,728	0.3		0.2		
IT QA-SR/SPEC	104,412	0.2		0.1		
IT SYS ADM-JOURNEY	99,444	0.2		0.1		
MGMT ANALYST4	78,468	0.0		0.0		
TAX POLICY SP 2	80,460	0.1		0.0		
TAX POLICY SP 3	91,068	0.1	0.1	0.1		
TAX POLICY SP 4	98,040	0.0		0.0		
WMS BAND 1	82,395	0.1		0.1		
WMS BAND 2	101,410	0.0		0.0		
WMS BAND 3	115,352	0.0		0.0		
<b>Total FTEs</b>		1.1	0.2	0.7	0.1	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 standard process to adopt WAC 458-20-179, titled: " Public utility tax." This rulemaking would affect power and light businesses.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5804 S SB	<b>Title:</b> Fish habitat restoration	<b>Agency:</b> 215-Utilities and Transportation Commission
-------------------------------	--	--

## 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:	Phone:	Date: 04/09/2025
Agency Preparation: Michelle Parish	Phone: 360-664-1158	Date: 04/11/2025
Agency Approval: Michelle Parish	Phone: 360-664-1158	Date: 04/11/2025
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 04/11/2025

## 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 are no provisions of the legislation that impact the commission. The bill replaces a portion of the public utility tax on light and power utilities with a new tax on light and power utilities dedicated to projects that improve salmon and steelhead recovery and habitat restoration and mitigate the impact of fish passage barriers. This activity is not set by the UTC nor does the UTC collect the public utility tax.

### II. B - Cash receipts Impact

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

The commission does not set, administer, or collect the tax or fee revenue contained in this bill. The Commission receives no cash receipts under the 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.*

The commission does not set, administer, or collect the tax or fee revenue contained in this bill.

## 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> 5804 S SB	<b>Title:</b> Fish habitat restoration	<b>Agency:</b> 405-Department of Transportation
-------------------------------	--	---

## 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:	Phone:	Date: 04/09/2025
Agency Preparation: Ahmer Nizam	Phone: 360-705-7271	Date: 04/14/2025
Agency Approval: Eric Wolin	Phone: 360-705-7487	Date: 04/14/2025
OFM Review: Maria Thomas	Phone: (360) 229-4717	Date: 04/15/2025

## 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.*

See attached fiscal note.

### 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

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

**Bill Number:** SSB 5804    **Title:** Fish Habitat Restoration    **Agency:** 405-Department of Transportation

## Part I: Estimates

- No Fiscal Impact (Explain required in section II. A)
- Indeterminate Cash Receipts Impact (Explain in section II. B)
- Partially Indeterminate Cash Receipts Impact (Explain in section II. B)
- Indeterminate Expenditure Impact (Explain in section II. C)
- Partially Indeterminate Expenditure Impact (Explain in section II. C)

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

### Fiscal Detail

N/A

### Agency Assumptions

N/A

### Agency Contacts:

Preparer: Ahmer Nizam	Phone: (360) 705-7480	Date: 4/10/2025
Approval: Eric Wolin	Phone: (206) 240-4497	Date: 4/10/2025
Budget Manager: Doug Clouse	Phone: (360) 705-7535	Date: 4-14-2025

## Part II: Narrative Explanation

### II. A - Brief description of what the measure does that has fiscal impact

SSB 5804 establishes a revenue source to fund critical WSDOT needs for compliance with the US v. Washington Injunction. This is accomplished through the sale of obligation bonds, secured by a special tax on entities engaged in the generation and distribution of electrical power.

Sections 3 establishes a 2.011% federal injunction salmon habitat tax (FISH Tax) levied on light and power businesses. This tax revenue is intended to secure the special tax obligation bonds described below.

# Individual State Agency Fiscal Note

Sections 8 and 9 authorize up to \$5 billion in special tax obligation bonds. Authorization to issue these bonds expires upon the full authorization having been issued and dispersed.

Section 11 establishes the federal injunction salmon habitat restoration account from which legislative appropriations for applicable projects would occur. Funds may be used to address a combination of local and state habitat restoration projects if a mediation or settlement agreement identifies the projects as necessary to maximize impacts to salmon and steelhead population.

Changes to SSB 5804 from prior version:

- Amends the title.
- Amends the tax rate on light and power businesses to maintain overall tax neutrality.
- Consolidates the Federal injunction Salmon Habitat Account into the Federal Injunction Salmon Habitat Restoration Account.
- Makes technical changes suggested by the Office of the State Treasurer.
- Removes the 15-year dispersal period and instead expires the authorization when the amount of authorized bonds have been dispersed.
- Authorizes the use of funds for both local and state projects if a mediation or settlement agreement identifies the projects as necessary to maximize impacts to salmon and steelhead population.
- Delays the effective date of tax provisions until January 1, 2026.

## II. B – Cash Receipts Impact

N/A

## II. C - Expenditures

The \$5B bond program authorized through this bill matches the critical funding needs for fish barrier removal communicated by WSDOT through its 2024 supplemental budget submittal. The substitute bill generally ties appropriation decisions to the outcome of US v. Washington mediation proceedings. Expenditure analysis is currently indeterminate and will depend on the relationship between 1) the US v. Washington mediation outcomes, 2) ensuing changes to WSDOT's fish passage program approach, if any, and 3) specific appropriation decisions made by the legislature.

Section 8 authorizes \$5.0 billion in special tax obligation bonds, payable from receipts of the Federal Injunction Salmon Habitat tax. The Financial Planning Office within Budget and Financial Analysis has an indeterminate fiscal impact. This is a new type of bond to WSDOT, and it is unclear if additional staff will be needed to support federal IRS compliance and tracking requirements.

## Part III: Expenditure Detail

### III. A - Expenditures by Object or Purpose

N/A

## Part IV: Capital Budget Impact

N/A

## Part V: New Rule Making Required

N/A



# Ten Year Analysis

<b>Bill Number:</b> SSB 5804	<b>Title:</b> Fish Habitat Restoration	<b>Agency:</b> 405 Washington State Department of Transportation
------------------------------	--	--

Ten-year analyses are limited to agency-estimated cash receipts associated with the new proposed taxes or fees or existing 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	Account Code and Title	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	Total 2026-35
	Choose an item.											
<b>Totals</b>												

### Narrative Explanation (Required for all Taxes and/or Fees including "Indeterminate," "Partially Indeterminate," or "No Cash Receipts.")

SSB 5804 establishes a revenue source to fund critical WSDOT needs for compliance with the US v. Washington Injunction. This is accomplished through the sale of obligation bonds, secured by a special tax on entities engaged in the generation and distribution of electrical power.

- Cash Receipts Impact**

WSDOT is not responsible for setting, administering, or collecting any tax receipts authorized through SSB 5804.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5804 S SB	<b>Title:</b> Fish habitat restoration	<b>Agency:</b> 477-Department of Fish and Wildlife
-------------------------------	--	--

## 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:	Phone:	Date: 04/09/2025
Agency Preparation: Tiffany Hicks	Phone: (360) 902-2544	Date: 04/10/2025
Agency Approval: Tiffany Hicks	Phone: (360) 902-2544	Date: 04/10/2025
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 04/10/2025

## 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.*

Differences between 5804-SSB and 5804-SB

Section 11(2) adds language to allow that funds may be used to address a combination of local and state habitat restoration projects if a mediation or settlement agreement identifies the projects as necessary to maximize impacts to salmon and steelhead populations.

WDFW determined no fiscal impact.

This bill does not change the WSDOT delivery plan, nor the way WSDOT contracts for WDFW injunction support.

### 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: 5804 S SB

Title: Fish habitat restoration

## Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

### Legislation Impacts:

- Cities: loss of access to grants/loans from Public Works Assistance Account
- Counties: loss of access to grants/loans from Public Works Assistance Account
- Special Districts: loss of access to grants/loans from Public Works Assistance Account
- Specific jurisdictions only:
- Variance occurs due to:

## Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time: which project, amount, or location will not be funded in the future

### Estimated revenue impacts to:

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

### Estimated expenditure impacts to:

None

## Part III: Preparation and Approval

Fiscal Note Analyst: Tammi Alexander	Phone: 360-725-5038	Date: 04/16/2025
Leg. Committee Contact:	Phone:	Date: 04/09/2025
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 04/16/2025
OFM Review: Myra Baldini	Phone: (360) 688-8208	Date: 04/16/2025



## **Part IV: Analysis**

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

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

Note: This fiscal note reflects language in SSB 5804, 2025 Legislative Session.

#### CHANGES BETWEEN THIS VERSION AND ORIGINAL BILL VERSION:

- Amends the title;
- Amends the tax rate on light and power businesses to maintain overall tax neutrality;
- Consolidates the Federal injunction Salmon Habitat Account into the Federal Injunction Salmon Habitat Restoration Account;
- Makes technical changes suggested by the Office of the State Treasurer; Removes the 15-year dispersal period and instead expires the authorization when the amount of authorized bonds have been dispersed;
- Authorizes the use of funds for both local and state projects if a mediation or settlement agreement identifies the projects as necessary to maximize impacts to salmon and steelhead population; and
- Delays the effective date of tax provisions until January 1, 2026.

#### SUMMARY OF CURRENT BILL:

This bill:

- Replaces a portion of the public utility tax on light and power utilities with a new tax on light and power utilities dedicated to projects that improve salmon and steelhead recovery and habitat restoration and mitigate the impact of fish passage barriers.
- Authorizes the issuance of special tax obligation bonds in the total amount of \$5 billion based on the new tax revenues.
- Establishes that the bond repayment is solely backed by the new utility tax and not a general obligation of the state.
- Redirects revenue sources currently directed to the Public Works Assistance Account to the general fund.

### **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.*

#### CHANGES IN EXPENDITURE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

NONE

#### EXPENDITURE IMPACTS OF CURRENT BILL:

This bill would not impact local government expenditures because no action is required.

### **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:

NONE

#### REVENUE IMPACTS OF CURRENT BILL:

The bill ends the following transfers to the PWAA from the General Fund:

- 5.2% of REET.
- 20% of water distribution PU tax.
- 60% of sewer collection PU tax.

- 100% of solid waste collection tax.

The bill changes the distributions of state REET revenue to be as follows:

- 1.4% deposited in the city-county assistance account.
- 84.6% deposited in the general fund.
- Remainder deposited in the education legacy trust account.

According to the Department of Revenue (DOR) this bill would decrease the funding going into the Public Works Assistance Account by:

2025-2027 Biennium- (\$275,510,000)

2027-2029 Biennium- (\$428,700,000)

2029-2031 Biennium- (\$468,460,000)

Please see the DOR fiscal note for a complete list of their data sources and assumptions.

Although this funding is not directly distributed to local governments, the Public Works Assistance Account is used to provide low cost loans and grants to local governments for infrastructure projects. It is unknown which local government projects or the amounts that will not be funded, therefore the impact is indeterminate but significant.

**SOURCES:**

Department of Revenue fiscal note, SSB 5804

Senate Bill Report, SB 5804, Ways & Means Committee (04/08/25)



# Multiple Agency Ten-Year Analysis Summary

<b>Bill Number</b> 5804 S SB	<b>Title</b> Fish habitat restoration
---------------------------------	--

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

## Estimated Cash Receipts

	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031	Fiscal Year 2032	Fiscal Year 2033	Fiscal Year 2034	Fiscal Year 2035	2026-35 TOTAL
Bond Retirement and Interest	0	0	0	0	0	0	0	0	0	0	0
Office of the Governor	0	0	0	0	0	0	0	0	0	0	0
Office of Lieutenant Governor	0	0	0	0	0	0	0	0	0	0	0
Office of State Treasurer	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 Revenue	0	0	0	0	0	0	0	0	0	0	0
Utilities and Transportation Commission	0	0	0	0	0	0	0	0	0	0	0
Department of Transportation	0	0	0	0	0	0	0	0	0	0	0
Department of Fish and Wildlife	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> 5804 S SB	<b>Title</b> Fish habitat restoration	<b>Agency</b> 010 Bond Retirement and Interest
---------------------------------	--	---

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>												
---------------------------	------------------	--	--	--	--	--	--	--	--	--	--	--	--

Agency Preparation: Austin Goble	Phone: 360-902-9028	Date: 4/10/2025 3:02:42 pm
Agency Approval: Leslie Yonkers	Phone: (360) 902-9024	Date: 4/10/2025 3:02:42 pm
OFM Review:	Phone:	Date:



# Ten-Year Analysis

<b>Bill Number</b> 5804 S SB	<b>Title</b> Fish habitat restoration	<b>Agency</b> 075 Office of the Governor
---------------------------------	--	---

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>												
---------------------------	------------------	--	--	--	--	--	--	--	--	--	--	--	--

Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 4/14/2025 4:41:48 pm
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 4/14/2025 4:41:48 pm
OFM Review:	Phone:	Date:



# Ten-Year Analysis

<b>Bill Number</b> 5804 S SB	<b>Title</b> Fish habitat restoration	<b>Agency</b> 080 Office of Lieutenant Governor
---------------------------------	--	--

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>												
---------------------------	------------------	--	--	--	--	--	--	--	--	--	--	--	--

Agency Preparation: Ian Shelley	Phone: (360) 407-2243	Date: 4/10/2025 9:14:19 am
Agency Approval: Ian Shelley	Phone: (360) 407-2243	Date: 4/10/2025 9:14:19 am
OFM Review:	Phone:	Date:



# Ten-Year Analysis

<b>Bill Number</b> 5804 S SB	<b>Title</b> Fish habitat restoration	<b>Agency</b> 090 Office of State Treasurer
---------------------------------	--	--

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>												
---------------------------	------------------	--	--	--	--	--	--	--	--	--	--	--	--

Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 4/15/2025 1:11:50 pm
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 4/15/2025 1:11:50 pm
OFM Review:	Phone:	Date:



# Ten-Year Analysis

<b>Bill Number</b> 5804 S SB	<b>Title</b> Fish habitat restoration	<b>Agency</b> 103 Department of Commerce
---------------------------------	--	---

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>												
---------------------------	------------------	--	--	--	--	--	--	--	--	--	--	--	--

Agency Preparation: Jodi Barnes	Phone: (564) 669-0071	Date: 4/15/2025 1:54:37 pm
Agency Approval: Jodi Barnes	Phone: (564) 669-0071	Date: 4/15/2025 1:54:37 pm
OFM Review:	Phone:	Date:





# Ten-Year Analysis

<b>Bill Number</b> 5804 S SB	<b>Title</b> Fish habitat restoration	<b>Agency</b> 140 Department of Revenue
---------------------------------	--	--

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

## Estimates

**No Cash Receipts**
                 
  **Partially Indeterminate Cash Receipts**
                 
  **Indeterminate Cash Receipts**

## Estimated Cash Receipts

Name of Tax or Fee	Acct Code	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031	Fiscal Year 2032	Fiscal Year 2033	Fiscal Year 2034	Fiscal Year 2035	2026-35 TOTAL
Public Utilities tax	001	(65,010,000)	(167,210,000)	(163,690,000)	(167,320,000)	(171,030,000)	(174,820,000)	(178,690,000)	(182,630,000)	(186,650,000)	(190,760,000)	(1,647,810,000)
Public Utility tax	058	(12,090,000)	(30,170,000)	(31,320,000)	(32,490,000)	(33,710,000)	(34,960,000)	(36,270,000)	(37,620,000)	(39,020,000)	(40,480,000)	(328,130,000)
Public Utility tax	NEW	77,100,000	197,380,000	195,010,000	199,810,000	204,740,000	209,780,000	214,960,000	220,250,000	225,670,000	231,240,000	1,975,940,000
<b>Total Public Utility tax</b>		<b>65,010,000</b>	<b>167,210,000</b>	<b>163,690,000</b>	<b>167,320,000</b>	<b>171,030,000</b>	<b>174,820,000</b>	<b>178,690,000</b>	<b>182,630,000</b>	<b>186,650,000</b>	<b>190,760,000</b>	<b>1,647,810,000</b>
Real Estate Excise tax	001	33,980,000	87,150,000	94,180,000	98,670,000	103,380,000	108,310,000	113,470,000	118,890,000	124,550,000	130,490,000	1,013,070,000
Real Estate Excise tax	058	(33,980,000)	(87,150,000)	(94,180,000)	(98,670,000)	(103,380,000)	(108,310,000)	(113,470,000)	(118,890,000)	(124,550,000)	(130,490,000)	(1,013,070,000)
<b>Total Real Estate Excise tax</b>												
Solid Waste Collection tax	001	31,850,000	80,270,000	84,100,000	87,940,000	91,950,000	96,150,000	100,530,000	105,120,000	109,920,000	114,930,000	902,760,000
Solid Waste Collection tax	058	(31,850,000)	(80,270,000)	(84,100,000)	(87,940,000)	(91,950,000)	(96,150,000)	(100,530,000)	(105,120,000)	(109,920,000)	(114,930,000)	(902,760,000)
<b>Total Solid Waste Collection tax</b>												
<b>Total</b>												

### Biennial Totals

## Narrative Explanation (Required for Indeterminate Cash Receipts)

Note: This fiscal note reflects language in SSB 5804, 2025 Legislative Session.

This fiscal note only addresses sections 2 through 5 of the bill, which impacts the Department of Revenue (department).



# Ten-Year Analysis

Bill Number	Title	Agency
5804 S SB	Fish habitat restoration	140 Department of Revenue

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)

### COMPARISON OF SUBSTITUTE BILL WITH THE ORIGINAL:

The substitute changed the new public utility (PU) tax from 2.011% to 2.01053% and the effective date from 90 days after session to January 1, 2026.

### CURRENT LAW:

Income from light and power businesses is subject to the power PU tax.

The power PU tax rate is 3.62%, with an additional 7% tax on the tax payable for a combined tax rate of 3.8734%. The revenue from the power PU tax is deposited into the General Fund.

The following revenues fund the Public Works Assistance Account (PWAA):

- 5.2% of real estate excise tax (REET)
- 20% of water distribution PU tax
- 60% of sewer collection PU tax
- 100% of solid waste collection tax

The state REET is a tax on the sale of real property. REET also applies to transfers of controlling interest (50% or more) in entities that own real property in the state. The rate is 1.28% for real property sales of property with a predominate use of:

- Farm and agricultural land or farm and agricultural conservation land (must be in the current use property tax program)
- Timberland (must be in either the current use or designated forest land property tax programs) including any structures on the land and any standing timber on or sold a from the land.

For all other types of property, the following rates apply through December 31, 2026, to the following selling price thresholds:

- 1.10% for the portion of the selling price less than or equal to \$525,000.
- 1.28% for the portion of the selling price greater than \$525,000 and less than or equal to \$1.525 million.
- 2.75% for the portion of the selling price greater than \$1.525 million and less than or equal to \$3.025 million.
- 3.00% for the portion of the selling price greater than \$3.025 million.

Beginning July 1, 2022, and every fourth year thereafter, the department:

- Adjusts the selling price threshold of the first tier to reflect the lesser of the growth of the consumer price index for shelter or 5%. If the growth is less than 0%, the current



# Ten-Year Analysis

Bill Number	Title	Agency
5804 S SB	Fish habitat restoration	140 Department of Revenue

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)

selling price threshold applies.

- Adjusts the selling price threshold of the remaining tiers by the dollar amount of increase in the first tier.
- The updated selling price thresholds apply beginning January 1 of every fourth year, beginning January 1, 2023.

Distributions of state REET revenue are as follows:

- 5.2% deposited in the public works assistance account.
- 1.4% deposited in the city-county assistance account.
- 79.4% deposited in the general fund.
- Remainder deposited in the education legacy trust account.

### PROPOSAL:

The bill reduces the power PU tax rate to 1.741%. With the additional 7% tax on the tax payable, the combined tax is 1.8629%.

The bill ends the following transfers to the PWAA from the General Fund:

- 5.2% of REET.
- 20% of water distribution PU tax.
- 60% of sewer collection PU tax.
- 100% of solid waste collection tax.

The bill changes the distributions of state REET revenue to be as follows:

- 1.4% deposited in the city-county assistance account.
- 84.6% deposited in the general fund.
- Remainder deposited in the education legacy trust account.

This proposal adds a new PU tax on income from the light and power businesses at a rate of 2.01053%, and the proceeds are deposited into the new Federal Injunction Salmon Habitat Restoration Account.

### EFFECTIVE DATE:

This bill takes effect on January 1, 2026.



# Ten-Year Analysis

<b>Bill Number</b> 5804 S SB	<b>Title</b> Fish habitat restoration	<b>Agency</b> 140 Department of Revenue
---------------------------------	--	--

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)

<p><b>ASSUMPTIONS</b></p> <ul style="list-style-type: none"> <li>- The legislation takes effect January 1, 2026, impacting five months of cash collections in fiscal year 2026.</li> <li>- The annual growth rates reflect the Economic and Revenue Forecast Council's November 2024 taxable public utility tax and real estate excise tax forecast and the Department of Revenue's solid waste collection tax forecast.</li> <li>- The NEW funds in the table above correspond to the following: NEW- Federal Injunction Salmon Habitat Restoration Account</li> </ul> <p><b>DATA SOURCES</b></p> <ul style="list-style-type: none"> <li>- Department of Revenue, Excise tax return data</li> <li>- Department of Revenue, Monthly revenue activity</li> <li>- Economic and Revenue Forecast Council, November 2024 forecast</li> <li>- Department of Revenue, November 2024 non-general fund forecast</li> </ul> <p><b>REVENUE ESTIMATES</b></p> <p>This legislation results in a zero net revenue impact.</p> <p><b>TOTAL REVENUE IMPACT:</b></p> <p>State Government (cash basis, \$000):</p> <table> <tr><td>FY 2026 -</td><td>\$ 0</td></tr> <tr><td>FY 2027 -</td><td>\$ 0</td></tr> <tr><td>FY 2028 -</td><td>\$ 0</td></tr> <tr><td>FY 2029 -</td><td>\$ 0</td></tr> <tr><td>FY 2030 -</td><td>\$ 0</td></tr> <tr><td>FY 2031 -</td><td>\$ 0</td></tr> </table> <p>Local Government, if applicable (cash basis, \$000): None.</p>	FY 2026 -	\$ 0	FY 2027 -	\$ 0	FY 2028 -	\$ 0	FY 2029 -	\$ 0	FY 2030 -	\$ 0	FY 2031 -	\$ 0
FY 2026 -	\$ 0											
FY 2027 -	\$ 0											
FY 2028 -	\$ 0											
FY 2029 -	\$ 0											
FY 2030 -	\$ 0											
FY 2031 -	\$ 0											

Agency Preparation: Alex Merk-Dyes	Phone: 360-534-1601	Date: 4/10/2025 6:36:02 pm
Agency Approval: Marianne McIntosh	Phone: 360-534-1505	Date: 4/10/2025 6:36:02 pm
OFM Review:	Phone:	Date:



# Ten-Year Analysis

<b>Bill Number</b> 5804 S SB	<b>Title</b> Fish habitat restoration	<b>Agency</b> 215 Utilities and Transportation Commission
---------------------------------	--	--

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>												
---------------------------	------------------	--	--	--	--	--	--	--	--	--	--	--	--

Agency Preparation: Michelle Parish	Phone: 360-664-1158	Date: 4/11/2025 8:16:33 am
Agency Approval: Michelle Parish	Phone: 360-664-1158	Date: 4/11/2025 8:16:33 am
OFM Review:	Phone:	Date:



# Ten-Year Analysis

<b>Bill Number</b> 5804 S SB	<b>Title</b> Fish habitat restoration	<b>Agency</b> 405 Department of Transportation
---------------------------------	--	---

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>												
---------------------------	------------------	--	--	--	--	--	--	--	--	--	--	--	--

Agency Preparation: Ahmer Nizam	Phone: 360-705-7271	Date: 4/14/2025 12:24:26 pm
Agency Approval: Eric Wolin	Phone: 360-705-7487	Date: 4/14/2025 12:24:26 pm
OFM Review:	Phone:	Date:



# Ten-Year Analysis

<b>Bill Number</b> 5804 S SB	<b>Title</b> Fish habitat restoration	<b>Agency</b> 477 Department of Fish and Wildlife
---------------------------------	--	--

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>												
---------------------------	------------------	--	--	--	--	--	--	--	--	--	--	--	--

Agency Preparation: Tiffany Hicks	Phone: (360) 902-2544	Date: 4/10/2025 9:23:33 am
Agency Approval: Tiffany Hicks	Phone: (360) 902-2544	Date: 4/10/2025 9:23:33 am
OFM Review:	Phone:	Date: