

Multiple Agency Fiscal Note Summary

Bill Number: 5802 2S SB	Title: Transportation funds
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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
Office of State Treasurer	453,896,000	453,896,000	0	(609,382,000)	(609,382,000)	0	0	0	0
Department of Revenue	155,200,000	155,200,000	155,450,000	(581,100,000)	(581,100,000)	0	(624,700,000)	(624,700,000)	0
Total \$	609,096,000	609,096,000	155,450,000	(1,190,482,000)	(1,190,482,000)	0	(624,700,000)	(624,700,000)	0

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Revenue	.0	14,000	14,000	14,000	.0	0	0	0	.0	0	0	0
Total \$	0.0	14,000	14,000	14,000	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
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.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: Final 5/ 1/2025
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Individual State Agency Fiscal Note

Bill Number: 5802 2S SB	Title: Transportation funds	Agency: 090-Office of State Treasurer
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
General Fund-State 001-1	339,896,000	114,000,000	453,896,000	(609,382,000)	
Multimodal Transportation Account-State 218-1	(225,896,000)		(225,896,000)	609,382,000	
Move Ahead WA Flexible Account-State 26Q-1	(114,000,000)	(114,000,000)	(228,000,000)		
Total \$					

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: Andy Toulon	Phone: 360-786-7178	Date: 04/20/2025
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 04/24/2025
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 04/24/2025
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 05/01/2025

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.

2SSB 5802 relates to rebalancing statutory fund transfers and revenue dedications for transportation.

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 1 amends RCW 82.32.385, amending and adding transfers for the state treasurer.

Section 2 amends RCW 43.155.050, amending and adding transfers for the state treasurer.

This fiscal note reflects the impact of sections 1 and 2 to the general fund, multimodal transportation account, move ahead WA flexible account, and public works assistance account.

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.

Department of Revenue Fiscal Note

Bill Number: 5802 2S SB	Title: Transportation funds	Agency: 140-Department of Revenue
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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 01 - Retail Sales Tax	155,200,000		155,200,000	(547,400,000)	(588,100,000)
GF-STATE-State 01 - Taxes 10 - Compensating Tax				(33,700,000)	(36,600,000)
Multimodal Transportation Account-State 01 - Taxes 01 - Retail Sales Tax				547,400,000	588,100,000
Multimodal Transportation Account-State 01 - Taxes 10 - Compensating Tax				33,700,000	36,600,000
Performance Audits of Government Account-State 01 - Taxes 01 - Retail Sales Tax	250,000		250,000		
Total \$	155,450,000		155,450,000		

Estimated Expenditures from:

Account	FY 2026	FY 2027	2025-27	2027-29	2029-31
GF-STATE-State 001-1	14,000		14,000		
Total \$	14,000		14,000		

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: Andy Toulon	Phone: 60-786-7178	Date: 04/20/2025
Agency Preparation: Amy Afdem	Phone: 60-534-1568	Date: 04/22/2025
Agency Approval: Marianne McIntosh	Phone: 60-534-1505	Date: 04/22/2025
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 04/23/2025

Request # 5802-4-1

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 2SSB 5802, 2025 Legislative Session.

This fiscal note only addresses sections 3 through 6 of the bill, which impact the Department of Revenue (department).

COMPARISON OF SECOND SUBSTITUTE BILL WITH SUBSTITUTE BILL:

The second substitute bill decreases the rate of retail sales and use taxes redirected to the Multimodal Transportation Account from 0.3% to 0.1%. In addition, the section requiring transfer of hazardous substance tax collections to the Motor Vehicle Fund was removed.

CURRENT LAW:

There are several appropriations from state taxes collected to fund transportation projects and needs.

State retail sales and use taxes collections are generally deposited into the General Fund. Taxes collected on certain sales are deposited into the Multimodal Transportation Account.

Sales and use taxes apply to construction materials and services, including those used in state bridge construction. Sales and use taxes deferral were granted for the Tacoma Narrows Bridge and State Route 520 Bridge projects. Repayment of the deferred sales and use taxes begins the 24th year after the project is completed and is 10% of the deferred sales and use taxes each year for 10 years.

PROPOSAL:

This legislation redirects 0.1% of the selling price or value of retail sales and use taxes into the Multimodal Transportation Account beginning July 1, 2027.

Additionally, this legislation adjusts the repayment schedule for the deferred sales and use taxes on the state bridge projects. The deferred sales and use taxes must be fully paid by June 30, 2026.

EFFECTIVE DATE:

This 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 revenues are calculated according to the bill's intent, in which the transfers occur when the taxes are received by the state beginning July 1, 2027.
- The language in this bill will be amended to reflect the intent. An amended fiscal note will be prepared to reflect the actual language of the bill if the bill is not amended once referred out of committee.
- The annual growth rate reflects the Economic and Revenue Forecast Council's November 2024 retail sales and use tax forecast.
- The Performance Audits of Government Account receives a 0.16% share of retail sales and use taxes. The redirected state portion of retail sales and use tax excludes the amount the Performance Audits of Government Account receives. However, the repayment of deferred sales tax includes the Performance Audits of Government Account.
- Currently, tribes with compacts receive a share of state sales and use taxes and certain business and occupation taxes

Request # 5802-4-1

(RCW 43.06.523). Under this proposal, the amount of revenue shared with tribes will not change.

- Retail sales and use taxes collections redirected to the Multimodal Transportation Account negatively impact the general fund.
- The department will implement the redirection of state retail sales and use taxes beginning July 1, 2027, impacting a full year of collections in fiscal year 2028.
- Repayment of deferred sales tax from the bridge projects is due in full by June 30, 2026. The original payments were due outside the fiscal note period, therefore the negative impact due to shifting the payment is not reflected.

DATA SOURCES

- Economic and Revenue Forecast Council, November 2024 Forecast
- Department of Revenue, Excise tax data

REVENUE ESTIMATES

This bill redirects state retail sales and use taxes collection, an estimated \$285.3 million in fiscal year 2028, the first full year of impacted collections, to the Multimodal Transportation Account.

This bill requires earlier payment of deferred retail sales and use taxes, an estimated \$155.5 million in state revenues, and \$61.6 million in local revenues in fiscal year 2026.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2026 -	\$ 155,450
FY 2027 -	\$ 0
FY 2028 -	\$ 0
FY 2029 -	\$ 0
FY 2030 -	\$ 0
FY 2031 -	\$ 0

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

FY 2026 -	\$ 61,630
FY 2027 -	\$ 0
FY 2028 -	\$ 0
FY 2029 -	\$ 0
FY 2030 -	\$ 0
FY 2031 -	\$ 0

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 \$14,000 in fiscal year 2026. These costs include:

Object Costs - \$14,000.

- Computer system changes, including contract programming.

SECOND YEAR COSTS:

The department will not incur any total 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					
C-Professional Service Contracts	14,000		14,000		
Total \$	\$14,000		\$14,000		

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

NONE

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