Multiple Agency Fiscal Note Summary

Bill Number: 2334 S HB	**Title:** Cash transactions/pennies

Estimated Cash Receipts

Agency Name	2025-27			2027-29			2029-31		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Revenue	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total $	0	0	0	0	0	0	0	0	0

Agency Name	2025-27		2027-29		2029-31	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outloo	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	0	0	0	.0	0	0	0	.0	0	0	0
Department of Licensing	.0	0	0	186,000	.0	0	0	0	.0	0	0	0
Department of Social and Health Services	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Total $	0.0	0	0	186,000	0.0	0	0	0	0.0	0	0	0

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	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 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
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Total $	0.0	0	0	0.0	0	0	0.0	0	0

FNPID: 77563

FNS029 Multi Agency rollup

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	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 Capital Budget Breakout

Prepared by: Gwen Stamey, OFM	**Phone:** (360) 790-1166	**Date Published:** Revised 3/13/2026

FNPID: 77563

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 2334 S HB	Title: Cash transactions/pennies	Agency: 090-Office of State Treasurer

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

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

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	John Burzynski	Phone: 360-786-7133	Date: 02/06/2026
Agency Preparation:	Dan Mason	Phone: (360) 902-8990	Date: 02/08/2026
Agency Approval:	Dan Mason	Phone: (360) 902-8990	Date: 02/08/2026
OFM Review:	Rayanna Evans	Phone: (360) 902-0553	Date: 02/09/2026

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.

SHB 2334 relates to adjusting the price of a cash transaction to eliminate the need for pennies.

The office of the state treasurer is not involved in retail transactions. Therefore, there is no fiscal impact.

II. B - Cash receipts Impact

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

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: 2334 S HB	Title: Cash transactions/pennies	Agency: 140-Department of Revenue

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

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

Estimated 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:	John Burzynski	Phone: 360-786-7133	Date: 02/06/2026
Agency Preparation:	Tom Gilmore	Phone: 360-534-1559	Date: 02/11/2026
Agency Approval:	Marianne McIntosh	Phone: 360-534-1505	Date: 02/11/2026
OFM Review:	Gwen Stamey	Phone: (360) 790-1166	Date: 02/12/2026

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 SHB 2334, 2026 Legislative Session.

COMPARISON OF SUBSTITUTE BILL WITH ORIGINAL BILL:
The substitute bill provides specific guidance addressing multiple forms of payment and removes the requirement for the Department of Revenue to adopt rules for transactions with multiple forms of payment.

The substitute bill specifies when state agencies may apply rounding to transactions.

CURRENT LAW:
Businesses calculate sales and use taxes uniformly for all transactions, regardless of the payment method, based on the selling price. Selling price means the total amount, valued in money, for which anything the law defines as a retail sale is sold, leased, or rented.

PROPOSAL:
This bill defines a rounding mechanism that will apply only to cash transactions. This mechanism will adjust the total price of any transaction (selling price plus all applicable sales taxes and fees, as well as any discounts or other adjustments) to the nearest 5 cents. Totals ending in 1, 2, 6, or 7 cents will round down to the nearest 5 cents, and totals ending in 3, 4, 8, or 9 cents will round up to the nearest 5 cents.

When more than one form of payment is applied to a transaction, any cash is applied to the total first, and the remainder is paid without rounding.

If pennies are not available, state and local agencies may apply rounding to the price of cash transactions if any tax, fee, or similar charge included in the transaction is collected and sent to the state on the pre-rounded amount.

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

II. B - Cash receipts Impact

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

The revenue impact of this bill is indeterminate but minimal. Rounding applied to affected transactions may slightly increase or decrease total collections.

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 proposal potentially affects up to 400,000 taxpayers with retail sales.

With the federal elimination of the penny, the department has determined that this will affect state tax administration and will require issuing guidance and updating relevant information on the department's website.

Implementation of this bill is not expected to require any significant additional work beyond the department's existing

efforts planned in response to the federal elimination of the penny. Any additional costs will be absorbed within current funding.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

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

Individual State Agency Fiscal Note

Bill Number: 2334 S HB	Title: Cash transactions/pennies	Agency: 240-Department of Licensing

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
Account					
Motor Vehicle Account-State 108-1	0	186,000	186,000	0	0
Total $	0	186,000	186,000	0	0

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

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

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	John Burzynski	Phone: 360-786-7133	Date: 02/06/2026
Agency Preparation:	Deb Williams	Phone: 360-902-0015	Date: 02/11/2026
Agency Approval:	Collin Ashley	Phone: (564) 669-9190	Date: 02/11/2026
OFM Review:	Kyle Siefering	Phone: (360) 995-3825	Date: 02/12/2026

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 adds a new chapter to Title 1 of the RCWs. It states that rounding "applies solely to the payment amount tendered and does not alter the sales price, the amount of tax owed or collected, or any surcharges, assessments, or applicable fees imposed on the sale."
Section 2 adds a new chapter to title 19 and states that taxes shall be remitted based on the sales price before rounding.
Section 3 applies to RCW 43.17 and adds that an agency may adjust the total price of a cash transaction by rounding the total as provided in section 1.
Section 5 and Section 6 state that sales tax and use tax due to be remitted will not be rounded.

No change to fiscal impact from previous fiscal note.

NEW DESCRIPTION
This bill sets requirements for how to adjust transactions to eliminate the need for pennies. The bill limits the requirements of the bill to legal tender. It does not apply to payment by credit card, money order, etc. The bill requires that the cash amount be applied to the transaction first. Retail sales tax and use tax remittance will remain the same despite any rounding. The remittance amount will remain the
same for business licenses as well.

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.

Please see attached fiscal note.

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.

Please see attached fiscal note.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
108-1	Motor Vehicle Account	State	0	186,000	186,000	0	0
		Total $	0	186,000	186,000	0	0

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					
E-Goods and Other Services		186,000	186,000		
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-					
Total $	0	186,000	186,000	0	0

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

Agency 240 – Department of Licensing

Bill Number: S HB 2334 Bill Title: Pennies Cash Transactions

Part 1: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts:

No impact.

Estimated Expenditures:

Operating Expenditures	Fund	FY 26	FY 27	25-27 Total	27-29 Total	29-31 Total
Motor Vehicle	108	-	186,000	186,000	-	-
Account Totals		**-**	**186,000**	**186,000**	**-**	**-**

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

☒ 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.

Agency Preparation: Deb Williams	Phone: (360) 634-5083	Date: 2/10/26
Agency Approval: Collin Ashley	Phone: (360) 634-5384	Date: 2/11/26

Request #	1
Bill #	SHB 2334

Part 2 – Explanation

2.A – Brief Description Of What The Measure Does That Has Fiscal Impact

Changes from HB 2334 to SHB 2334
Section 1 adds a new chapter to Title 1 of the RCWs. It states that rounding "applies solely to the payment amount tendered and does not alter the sales price, the amount of tax owed or collected, or any surcharges, assessments, or applicable fees imposed on the sale."
Section 2 adds a new chapter to title 19 and states that taxes shall be remitted based on the sales price before rounding.
Section 3 applies to RCW 43.17 and adds that an agency may adjust the total price of a cash transaction by rounding the total as provided in section 1.
Section 5 and Section 6 state that sales tax and use tax due to be remitted will not be rounded.

No change to fiscal impact from previous fiscal note.

NEW DESCRIPTION

This bill sets requirements for how to adjust transactions to eliminate the need for pennies. The bill limits the requirements of the bill to legal tender. It does not apply to payment by credit card, money order, etc. The bill requires that the cash amount be applied to the transaction first. Retail sales tax and use tax remittance will remain the same despite any rounding. The remittance amount will remain the same for business licenses as well.

2.B - Cash receipts Impact

The substitute bill has no revenue impact on the Department of Licensing (DOL) as Section 1(4) states that rounding does not affect taxes, fees, surcharges, etc. collected by DOL. DOL will have an over or short account for transactions that will make the revenue collection whole and equal to amounts owed.

2.C – Expenditures

DOL assumes that the rounding guidelines apply to all cash transactions.

DOL assumes that it will be required to use the authority within section 3 for transactions as subagents are already expressing difficulty with acquiring pennies.

Information Services:

The agency will use appropriated funds to hire contract programmers to accomplish this work or to support current staff implementing this legislation within the required timeline. Appropriated funds may also be used to hire agency temporary staff to support permanent staff assigned to this legislative effort.

Any change requires a process to ensure changes are correctly applied to the system. This involves Project Managers that manage the team that completes the update, business analyst that documents and reviews the system changes, architect services that analyzes how the update could have an effect

on other systems or DOL processes, developers who create the change, and testers and quality assurance teams that ensure the update is working correctly.

Cost Category	Description	Rate	2026	2027	2028	2029	2030	2031	Total Cost
TESTER	Test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	$ 26,100	-	41,800	-	-	-	-	41,800
BUSINESS ANALYST	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	$ 17,300	-	8,700	-	-	-	-	8,700
PROJECT MANAGER	Manage schedule and contracts	$ 35,000	-	14,000	-	-	-	-	14,000
SECURITY AND ARCHITECT SERVICES	Create the conceptual model that defines the structure, behavior and framework of a computerized system including a breakdown of the system into components, the component interactions and interfaces (including with the environment, especially the user), and the technologies and resources to be used in the design.	$ 19,800	-	5,900	-	-	-	-	5,900
CONTRACTED FAST DEVELOPER / TESTER	Updates to the DRIVES system will require additional vendor hours outside of the contracted maintenance to make system updates to implement this bill.	$ 39,900	-	83,800	-	-	-	-	83,800
TRAINER	Trains business partners and employees in new system processes and capabilities.	$ 29,000	-	14,500	-	-	-	-	14,500
PROJECT CONTINGENCY	WaTech designated rate of 10%	$ 27,470	-	16,900	-	-	-	-	16,900
Totals			**-**	**185,600**	**-**	**-**	**-**	**-**	**185,600**

DOL will implement changes to information systems to update system logic to round transaction amounts to the nearest amount divisible by $0.05 when paid in cash. When mixed tender is used the system will collect cash first and the balance will be paid by another form of tender. If a cash payment gets voided, reversed, or unapplied the system will be modified to remove the rounding transactions. DOL will update the revenue model and receipts to handle the new rounding transactions. DOL will create new nickel rounding revenue accounts for each impacted service line (Vehicles and Prorate and Fuel Tax). Also, the information system will have an added report on payments that have been rounded.

Part 3 – Expenditure Detail

3.A – Operating Budget Expenditures

Operating Expenditures	Fund	FY 26	FY 27	25-27 Total	27-29 Total	29-31 Total
Motor Vehicle	108	-	186,000	186,000	-	-
Account Totals		**-**	**186,000**	**186,000**	**-**	**-**

3.B – Expenditures by Object or Purpose

Object of Expenditure	FY 26	FY 27	25-27 Total	27-29 Total	29-31 Total
Goods and Services	-	186,000	186,000	-	-
Total By Object Type	**-**	**186,000**	**186,000**	**-**	**-**

3.C – FTE Detail

None

Part 4 – Capital Budget Impact

None.

Part 5 – New Rule Making Required

None.

Individual State Agency Fiscal Note

Bill Number: 2334 S HB	Title: Cash transactions/pennies	Agency: 300-Department of Social and Health Services

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:	John Burzynski	Phone: 360-786-7133	Date: 02/06/2026
Agency Preparation:	Cassi Postma	Phone: 3609999999	Date: 02/24/2026
Agency Approval:	Dan Winkley	Phone: 360-902-8236	Date: 02/24/2026
OFM Review:	Jason Brown	Phone: (360) 742-7277	Date: 02/25/2026

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.

S HB 2334 relates to adjusting the price of cash transactions to eliminate the need for pennies.

Section 1 states the total price of any in-person cash transaction may be rounded to the nearest five cent increment.

Section 2 states that all taxes and fees imposed by the state or municipal authority shall be based on the sales price before rounding authorized by Section 1.

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.

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.

S HB 2334 will require the Department of Social and Health Services' (DSHS) Office of Accounting Services (OAS) to update procedures and provide staff training to meet the requirements of the bill, which can be absorbed within existing resources. Additionally, a one-time update to the OAS Acumatica system will be required to integrate rounding for cash transactions as required in the bill. The one-time cost for the Acumatica contractor to update the system is indeterminate, but estimated to cost $25,000 to $30,000.

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

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: 2334 S HB	Title: Cash transactions/pennies

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

Legislation Impacts:

- [X] Cities: cities accepting cash as a form of payment
- [X] Counties: counties accepting cash as a form of payment
- [X] Special Districts: special districts accepting cash as a form of payment
- [ ] Specific jurisdictions only:
- [ ] Variance occurs due to:

Part II: Estimates

- [ ] No fiscal impacts.
- [ ] Expenditures represent one-time costs:
- [ ] Legislation provides local option:
- [X] Key variables cannot be estimated with certainty at this time: which local governments accept cash as a form of payment, software updates costs, policy updates

Estimated revenue impacts to:

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

Estimated expenditure impacts to:

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

Part III: Preparation and Approval

Fiscal Note Analyst: Tammi Alexander	Phone: 360-725-5038	Date: 02/13/2026
Leg. Committee Contact: John Burzynski	Phone: 360-786-7133	Date: 02/06/2026
Agency Approval: Jordan Laramie	Phone: 360-725-5044	Date: 02/13/2026
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/13/2026

Part IV: Analysis

A. SUMMARY OF BILL

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

This fiscal note reflects language in SHB 2334, 2026 Legislative Session.

CHANGES BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

The substitute bill makes the following revisions to the underlying bill:
- A seller may round covered transactions but is not required to do so.
- The bill's rounding provisions apply to the final digit of a covered transaction. Rounding is prohibited if the final digit ends in 0 cents or 5 cents.
- The provision authorizing the Department of Revenue (DOR) to adopt rules for mixed-tender transactions is removed and replaced with a provision governing such transactions. Amounts paid in cash are applied first and any remaining balance may be paid through noncash methods, such that rounding is not applied to noncash payments.
- Rounding applies solely to the payment amount tendered and does not affect price, tax owed or collected, or any surcharge, assessment, or fees. Taxes and fees must be calculated and remitted to taxing authorities based on the price prior to rounding.
- Inconsistent local ordinances, regulations, and rules are preempted. Rounding does not violate any state or municipal requirement, law, regulation, or standard. Rounding that creates an inconsistency with a displayed or advertised price does not violate the Consumer Protection Act.
- State and local agencies are authorized to round prices when pennies are not available.
- The business and occupation tax does not apply to amounts received from rounding up, and no deduction is allowed for rounding down. Sales and use taxes are calculated on the basis of the sale price without regard to price rounding. Rounding applies solely to payment and does not alter any tax due. Rounding of sales or use tax due is not authorized.
- Tax preference expiration date and performance statement requirements do not apply to this act.

SUMMARY OF CURRENT BILL:

This bill provides guidance for rounding of the total price of a transaction involving cash payments and that rounding applies solely to the payment amount tendered and does not alter the sales price, or the amount of tax owed or collected.

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:

There are several city and county departments that accept cash payments. These could include solid waste, building and permitting, planning, public health, treasurer (tax payments), assessor (licensing, recording, etc.), all departments for public records copying charges, courts (fines and fees), public works (permitting), parks (fees), and utilities like water and sewer service.

According to Washington Association of County Officials (WACO) local governments may need to revise or update billing software to incorporate the 5 cent rounding guideline. It is unknown which or how many local governments will need to purchase new software or what the costs would be. Therefore, the expenditure impact is indeterminate.

According to Municipal Research and Services Center (MRSC) the local governments would likely also need to update their policies to address rounding cash transactions. This would require staff time, but likely minimal.

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:

Local governments may experience a loss or gain of up to 2 cents on each transaction when cash is accepted as the form of payment if rounding is used to eliminate the need for pennies.

According to the Department of Revenue (DOR) the revenue impact of this bill is indeterminate but minimal. Rounding applied to affected transactions may slightly increase or decrease total collections. Please see the DOR fiscal note for a complete list of their data sources and assumptions.

Sources:

Association of Washington Cities
Department of Revenue fiscal note, SHB 2334 (2026)
Municipal Research and Services Center
Washington Association of County Officials
Washington State Association of Counties