

Multiple Agency Fiscal Note Summary

Bill Number: 3054 HB	Title: Vehicle tires
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Estimated Cash Receipts

Agency Name	2003-05		2005-07		2007-09	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Revenue	53,000	2,643,000	110,000	5,526,000	117,000	5,860,000
Total \$	53,000	2,643,000	110,000	5,526,000	117,000	5,860,000

Local Gov. Courts *						
Local Gov. Other **		1,395,336		2,962,276		3,181,276
Local Gov. Total		1,395,336		2,962,276		3,181,276

Estimated Expenditures

Agency Name	2003-05			2005-07			2007-09		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Revenue	.1	21,300	21,300	.1	14,100	14,100	.1	13,400	13,400
Washington State Patrol	.0	0	0	.0	0	0	.0	0	0
Department of Transportation	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	.5	0	1,735,000	1.0	0	3,629,000	1.0	0	3,848,000
Total	0.6	\$21,300	\$1,756,300	1.1	\$14,100	\$3,643,100	1.1	\$13,400	\$3,861,400

Local Gov. Courts *									
Local Gov. Other **	Non-zero but indeterminate cost. Please see discussion.								
Local Gov. Total									

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Prepared by: Ann-Marie Sweeten, OFM	Phone: 360-902-0538	Date Published: Final 2/ 5/2004
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

Department of Revenue Fiscal Note

Bill Number: 3054 HB	Title: Vehicle tires	Agency: 140-Department of Revenue
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2004	FY 2005	2003-05	2005-07	2007-09
GF-STATE-State Ne - ew -		53,000	53,000	110,000	117,000
St Patrol Highway-State Ne - ew -		78,000	78,000	162,000	172,000
Motor Vehicle-State Ne - ew -		777,000	777,000	1,625,000	1,723,000
Vehicle Tire Recycling-State Ne - ew -		1,735,000	1,735,000	3,629,000	3,848,000
Total \$		2,643,000	2,643,000	5,526,000	5,860,000

Estimated Expenditures from:

	FY 2004	FY 2005	2003-05	2005-07	2007-09
FTE Staff Years		0.1	0.1	0.1	0.1
Fund					
GF-STATE-State 001-1		21,300	21,300	14,100	13,400
Total \$		21,300	21,300	14,100	13,400

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: 01/27/2004
Agency Preparation: Julianne Sanford	Phone: 360-570-6070	Date: 02/04/2004
Agency Approval: Don Taylor	Phone: 360-570-6083	Date: 02/04/2004
OFM Review: Doug Jenkins	Phone: 360-902-0563	Date: 02/04/2004

Part II: Narrative Explanation

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

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

Section 1(1) - Levies a \$1 fee on the retail sale of new replacement vehicle tires. The fee is paid by the buyer to the seller. The seller collects the fee and pays the full amount to the department of revenue. The proceeds remaining after the deposit required by subsections (3) and (4) of Section 1, must be deposited into the vehicle tire recycling account.

Section 1(2) - "New replacement vehicle tires" means tires that are newly manufactured for vehicle purposes and used tires available for resale, but does not include retreaded vehicle tires.

Section 1(3) - Of the \$1 fee imposed in subsection 1 of Section 1, \$0.30 must be deposited into the motor vehicle account and must be used by the Department of Transportation for road maintenance.

Section1(4) - Of the \$1 fee imposed in subsection 1 of Section 1, \$0.03 must be deposited into the state patrol highway account and must be used by the State Patrol for business inspection and enforcement activities.

Section 2 - The vehicle tire recycling account is created within the state treasury. After the deposit of funds into the motor vehicle account and the state patrol highway account, the remaining funds must be deposited into the new vehicle tire recycling account and used by the Department of Ecology for purposes including but not limited to those specified in RCW 70.95.535. The Department of Revenue will deduct 2% from the funds collected for the purpose of administering and collecting the fee from new replacement tire retailers.

Section 4(1) - Every person engaged in making retail sales of new replacement vehicle tires in this state may collect a service fee that is separate from the \$1 fee. The moneys from the service fee must be used for costs associated with the proper management of the waste vehicle tires by the retailer.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

ASSUMPTIONS/DATA SOURCES

There is no effective date; therefore it was assumed the bill would take effect 90 days after the end of session (June 10, 2004). For accrual purposes, the month of June was considered a full month of collections.

It was assumed that Section 4(1) does not impact the state collections. The fee that may be collected by the retailers is separate from the \$1 fee levied by the state.

The number of "new replacement vehicle tires" was taken from national data provided by the Rubber Manufacturers Association. Washington's share was determined by using the Washington population as a percent of the U.S. population (approximately 2.1%). The percentage was then applied to the national replacement tire sales. According to the Rubber Manufacturer's Association and the applied methodologies, Washington will sell approximately 5.3 million "new replacement vehicle tires" in FY 2005 and approximately 5.5 million in FY 2006. The figures were forecasted out to 2009 using the national forecasts provided by the Rubber Manufacturer's Association.

It was assumed that 50% of retailers will not comply with the \$1 fee because they are not held liable for fees not collected.

Although the Department of Revenue is allotted 2% of the collections for administrative fees, the money does not go directly to the Department. Instead, the money is allocated to the general fund and then redistributed.

CURRENTLY REPORTING TAXPAYERS

It is estimated that taxpayers will collect approximately \$2.6 million in new replacement vehicle tire fees for FY 2005 and \$2.7 million in FY 2006. These numbers will continue to increase over time.

TAXPAYERS NOT CURRENTLY REPORTING

It was assumed that 50% of the retailers will not comply with the \$1 fee because, under this bill, they are not held liable for fees not collected. This equates to revenue losses of approximately \$2.7 million in FY 2005 and \$2.8 million in FY 2006.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2004	-	\$	0
FY 2005	-		2,643
FY 2006	-		2,724
FY 2007	-		2,804
FY 2008	-		2,887
FY 2009	-		2,973

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

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

(Contact: Anne Solwick, 570-6129)

To implement this legislation the Department will incur costs in the amount of \$21,300 in FY 2005. The costs include:

1. 0.01 FTE at ITSS4 level to program changes to the excise tax processing system.
2. 0.12 FTE at ITAS 4 level to make computer processing changes to the excise tax processing system.
3. \$11,400 for creation and mailing of a Special Notice.

On-going costs to the Department will be \$6,700 for 0.1 FTE for a Revenue Auditor.

The Department will absorb these costs. However, should this bill and other similar bills pass, the net impact may result in costs above the level the Department can reasonably absorb. In that event, the Department will need additional resources to implement the legislation.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2004	FY 2005	2003-05	2005-07	2007-09
FTE Staff Years		0.1	0.1	0.1	0.1
A-		6,700	6,700	9,800	9,800
B-		1,700	1,700	2,600	2,600
E-		12,100	12,100	1,000	1,000
J-		800	800	700	
Total \$		\$21,300	\$21,300	\$14,100	\$13,400

III. B - 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 2004	FY 2005	2003-05	2005-07	2007-09
INFO TECH APP SPEC 4	51,864		0.1	0.1		
INFO TECH SYS SPEC 4	51,864		0.0	0.0		
Revenue Auditor 4	49,380				0.1	0.1
Total FTE's			0.1	0.1	0.1	0.1

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

No.

Individual State Agency Fiscal Note

Bill Number: 3054 HB	Title: Vehicle tires	Agency: 225-Washington State Patrol
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Part I: Estimates

☒ No Fiscal Impact

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: 01/27/2004
Agency Preparation: Thao Thai	Phone: (360) 753-5763	Date: 01/30/2004
Agency Approval: Diane C. Perry	Phone: 360-753-0221	Date: 02/04/2004
OFM Review: Garry Austin	Phone: 360-902-0564	Date: 02/04/2004

Part II: Narrative Explanation

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

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

Under current law, there is a \$1 per tire fee levied on the retail sale of new replacement vehicle tires. Of the \$1 fee, the seller retains 10 cents and the remaining 90 cents is administered by the Department of Ecology.

House Bill 3054 revises chapter 70.95 RCW by changing the allocation of the \$1 fee from the retail sale of new replacement vehicle tires and also creates a new Vehicle Tire Recycling Account. Revenue is allocated as follows: 30 cents to be deposited into the Department of Transportation’s Motor Vehicle Account for road maintenance, which must incorporate the use of material derived from scrap tires; 3 cents to be deposited into the Washington State Patrol’s State Patrol Highway Account for business inspection and enforcement activities under RCW 46.55.230, 46.79.090, 46.80.150, and 47.41.070; 2 cents for Department of Revenue for the purpose of administering and collecting of the fee; and the remainder to be deposited in the Vehicle Tire Recycling Account, administered by the Department of Ecology.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Estimated scrap tires generated per year	5.9 million
(Source: Scrap Tire Report; Ecology publication #02-07-029)	
Estimated total revenue per year based on \$1.00 per tire	\$5,900,000
Estimated total revenue to State Patrol Highway Account – WSP based on \$.03 per tire	\$ 177,000

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

As required under current statute, the Washington State Patrol will continue to inspect abandoned junk vehicles’ records and authorize their disposal; and perform periodic inspections and investigations of hulk hauler’s, scrap processor’s, and vehicle wrecker’s premises and records. Changes in revenue as a result of implementing this legislation will not have an expenditure impact to State Patrol.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 3054 HB	Title: Vehicle tires	Agency: 405-Department of Transportation
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Part I: Estimates

☒ No Fiscal Impact

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.

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/27/2004
Agency Preparation: Eric Meale	Phone: 360-705-7942	Date: 02/02/2004
Agency Approval: Paula Hammond	Phone: 360-705-7027	Date: 02/03/2004
OFM Review: Tom Saelid	Phone: 360-902-0562	Date: 02/03/2004

Part II: Narrative Explanation

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

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

This legislation reinstates the one dollar per tire fee on the retail sale of new replacement vehicle tires. Thirty cents of each one dollar tire fee is to be deposited into the motor vehicle account and must be used by the department of transportation for road maintenance which must incorporate the use of material derived from scrap tires. Three cents of each one dollar tire fee is to be deposited into the state patrol highway account and must be used by the state patrol for business inspection and enforcement activities related to scrap tire cleanup. The balance of the tire fee, after the department of revenue deducts two percent from the funds collected for the purpose of administration and collections, is to be deposited in the newly created vehicle tire recycling account and must be used by the department of ecology for tire recycling and cleanup programs.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

None. Refer to the department of revenue fiscal note for the cash receipts impacts.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

None

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 3054 HB	Title: Vehicle tires	Agency: 461-Department of Ecology
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2004	FY 2005	2003-05	2005-07	2007-09
FTE Staff Years	0.0	1.0	0.5	1.0	1.0
Fund					
vehicle tire recycling acct.-State NEW-1	0	1,735,000	1,735,000	3,629,000	3,848,000
Total \$	0	1,735,000	1,735,000	3,629,000	3,848,000

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

Check applicable boxes and follow corresponding instructions:

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- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/27/2004
Agency Preparation: Randy Martin	Phone: (360) 407-6136	Date: 02/04/2004
Agency Approval: Nancy Stevenson	Phone: (360) 407-7007	Date: 02/04/2004
OFM Review: Ann-Marie Sweeten	Phone: 360-902-0538	Date: 02/04/2004

Part II: Narrative Explanation

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

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

Section 1

The bill would reinstitute the \$1.00 fee on the retail sale of new replacement vehicle tires. Funds from this fee would be disbursed as follows: 30 cents to the motor vehicle account for use by DOT for road maintenance, which would have to incorporate the use of material derived from scrap tires; three-cents deposited into the state patrol highway account for use by the state patrol for business inspection and enforcement activities; two-cents for DOR for administration and fee collection; and the remainder into the vehicle tire recycling account, administered by Ecology.

Sections 3 & 4

Funds from the vehicle tire recycling account would be used by Ecology for following purposes:

1. Identify communities with the most severe problems with waste tires and develop a prioritized list of sites of tire piles greater than 1000 tires.
2. Provide funding to state and local governments to removal of discarded vehicle tires from illegal tire piles,
3. Provide competitive grants to county governments for removal of illegal tire piles and enforcement programs,
4. Develop public information and education program distributed to retail tire sales and tire service outlets,
5. Conduct product marketing studies for recycled tires and alternatives to land disposal,
6. Conduct scrap tire demonstration projects,
7. Provide funding for statewide illegal tire pile cleanups and local amnesty events,
8. Conduct statewide tire carrier tracking, reporting and enforcement of the movement of tires within the state, and
9. Review of annual reports submitted by county grantee stating how funds were expended.

A minimum of 23% of the funds would have to be awarded to county governments for removal of illegal waste tire piles.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Section 3

Funds from the vehicle tire recycling account could be used to fund state and local governments for removal of tires from illegal tire piles. Ecology would identify communities with the most severe problems and prioritize sites with greater than 1000 tires.

A minimum of 23% of the funds must be awarded to county governments for removal of illegal waste tire piles.

To implement the program 1 FTE at the Environmental Specialist 3 would be required to do the following:

- a. develop a rule to implement a new grant program;
- b. implement and oversee the implementation of the grant program
- c. develop a public information and education program
- d. administer contracts for product marketing studies and demonstration projects

e. administer a statewide tracking, reporting and enforcement program for waste tire carriers.

FTE Detail:

Environmental Specialist 3 \$45,816

Salaries and Wages Detail: Direct program salaries are calculated at step K

Employee Benefits for direct program staff are calculated at the agency average of 21.1% of salaries.

Personal Service Contracts Detail:

Funds would be set aside for marketing studies for recycled tires and alternatives to land disposal. Funds not used for studies would be available for county government for grants.

Goods and Services are calculated at the agency average of \$4,942 per direct FTE. Standard agency administrative overhead costs are also included.

Travel Expenditures are calculated at the agency average rate of \$1,299 per direct program FTE.

Equipment Detail: \$6,302 for start-up equipment is budgeted for each new direct FTE, based on current costs for an office chair, 1/5 motor pool vehicle, and basic computer equipment.

Grants and Subsidies:

Grants would be provided to county governments for the removal of vehicle tires from illegal tire piles and enforcement programs. Funds would also be provided to local governments for scrap tire demonstration projects and for local amnesty days.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2004	FY 2005	2003-05	2005-07	2007-09
FTE Staff Years		1.00	0.5	1.0	1.0
A-		45,816	45,816	91,632	91,632
B-		9,667	9,667	19,334	19,334
C-		250,000	250,000	500,000	500,000
E-		26,580	26,580	53,160	53,160
G-		1,299	1,299	2,598	2,598
J-		6,302	6,302		
N-		1,395,336	1,395,336	2,962,276	3,181,276
P-					
S-					
Total:	\$0	\$1,735,000	\$1,735,000	\$3,629,000	\$3,848,000

III. B - 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 2004	FY 2005	2003-05	2005-07	2007-09
Environmental Specialist 3	45,816		1.0	0.5	1.0	1.0
Total FTE's			1.0	0.5	1.0	1.0

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

A new rule would have to be developed to create a grant program to provide grants to county government. In addition guidance to implement the rule would be necessary.

LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

Bill Number: 3054 HB	Title: Vehicle tires
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☐ Cities:
- ☒ Counties:
- ☐ Special Districts:
- ☐ 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: Cost of administration for counties in filing grant money use report

Estimated revenue impacts to:

Jurisdiction	FY 2004	FY 2005	2003-05	2005-07	2007-09
City					
County		1,395,336	1,395,336	2,962,276	3,181,276
Special District					
TOTAL \$		1,395,336	1,395,336	2,962,276	3,181,276
GRAND TOTAL \$					7,538,888

Estimated expenditure impacts to:

Indeterminate Impact

Part III: Preparation and Approval

Fiscal Note Analyst: Seija Blaylock	Phone: 360-725-5032	Date: 01/27/2004
Leg. Committee Contact:	Phone:	Date: 01/27/2004
Agency Approval: Louise Deng Davis	Phone: (360) 725-5034	Date: 02/05/2004
OFM Review: Ann-Marie Sweeten	Phone: 360-902-0538	Date: 02/05/2004

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

This bill would establish the Vehicle Tire Recycling Account into which \$0.67 less two percent of the one-dollar new replacement tire fee would be deposited. This bill would amend existing law to allow the Department of Ecology to distribute funds from the Vehicle Tire Recycling Account to county governments to dispose of illegal vehicle tire dumping sites. This bill would require that a minimum of 23 percent of the funds in the Vehicle Tire Recycling Account be granted to counties for removal of illegal waste tire piles.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

Indeterminate but small cost from administrative tasks to counties. Please see discussion below.

DISCUSSION:

Counties that receive the Department of Ecology Vehicle Tire Recycling Account grants must file an annual report detailing the use of the grant money (Section 4.4). Preparing the report will impose a cost on those counties that petitioned for and received a grant.

No cost to local governments for collecting the tire fee since Department of Revenue collects the fee (Section 1).

No cost to local governments for administering the Vehicle Tire Recycling Account since the Department of Ecology administers the account (Section 4.2).

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

Revenue impact of \$1,395,336 to counties in FY05, with small increases in later years to \$1,481,138 annually in FY06 and FY07 and \$1,590,638 annually in FY08 and FY09, caused by increased tire sales in the State (based on estimates from the Department of Ecology).

The above estimates assume 50 percent compliance in tire fee payments and subtract Department of Ecology administrative costs. Please see Department of Ecology fiscal note.

Assuming a 50 percent compliance in tire fee paying, the possible revenue range for counties from the Vehicle Tire Recycling Account is \$407,286 if minimum grant distribution, to \$1,770,810 with maximum grant distribution. Please see attached chart.

ASSUMPTIONS AND METHODOLOGY:

This bill specifies that only counties are eligible for grants of no less than 23 percent of the funds in the Vehicle Tire Recycling Account (Section 4.3). Cities are not eligible for grants under this bill.

Since this bill does not include a penalty for non-compliance a 50 percent compliance is assumed.

Estimates of total funds going into the Vehicle Tire Recycling Account are indicated in the attached tables (based on estimates from DOR, indicating an estimated \$2,643,000 collected in tire fees in FY05, of which \$0.67 of every dollar would go into the Vehicle Tire Recycling account).

Assuming only 50% compliance and minimum grant of 23 percent, estimates of revenue going to counties from the Vehicle Tire Recycling Account is estimated at \$407,286 for FY05 (statewide total of \$2,643,000 x 67% x 23%).

NOTE: The Department of Ecology estimates that there are 8-10 large (over 1,000 tires) illegal tire piles in the State.

SOURCES:

Department of Ecology

Department of Revenue

Tire Fee Revenue Estimates - Collected by the State

Fiscal Year	50% Compliance	100% Compliance
FY 2004	\$ -	\$ -
FY 2005	\$ 2,643,000	\$ 5,286,000
FY 2006	\$ 2,724,000	\$ 5,448,000
FY 2007	\$ 2,804,000	\$ 5,608,000
FY 2008	\$ 2,887,000	\$ 5,774,000
FY 2009	\$ 2,973,000	\$ 5,946,000

Source: Department of Revenue Research Division

**Funds To Counties From Vehicle Tire Recycling Account
When 50 % Compliance in Tire Fee Payments**

Fiscal Year	Minimum Amount	Maximum Amount
FY 2004	\$ -	\$ -
FY 2005	\$ 407,286	\$ 1,770,810
FY 2006	\$ 419,768	\$ 1,825,080
FY 2007	\$ 432,096	\$ 1,878,680
FY 2008	\$ 444,887	\$ 1,934,290
FY 2009	\$ 458,139	\$ 1,991,910

Assumptions:

Of every dollar collected for tire fee \$0.67 are placed into the Vehicle Tire Recycling Account

Minimum Amount = (Vehicle Tire Recycling Account revenue) * (23%)

Maximum Amount = (Vehicle Tire Recycling Account revenue) * (100%)