

Multiple Agency Fiscal Note Summary

| | |
|-----------------------------|---|
| Bill Number: 5573 SB | Title: Vehicle licensing options |
|-----------------------------|---|

Estimated Cash Receipts

| Agency Name | 2023-25 | | | 2025-27 | | | 2027-29 | | |
|-------------------------|--|-------------|-------|----------|-------------|-------|----------|-------------|-------|
| | GF-State | NGF-Outlook | Total | GF-State | NGF-Outlook | Total | GF-State | NGF-Outlook | Total |
| Department of Licensing | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | |
| Total \$ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Agency Name | 2023-25 | | 2025-27 | | 2027-29 | |
|---------------------|--|-------|-----------|-------|-----------|-------|
| | 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 | 2023-25 | | | | 2025-27 | | | | 2027-29 | | | |
|-------------------------|--|----------|-------------|-------|---------|----------|-------------|-------|---------|----------|-------------|-------|
| | FTEs | GF-State | NGF-Outlook | Total | FTEs | GF-State | NGF-Outlook | Total | FTEs | GF-State | NGF-Outlook | Total |
| Department of Licensing | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | | | | |
| Total \$ | 0.0 | 0 | 0 | 0 | 0.0 | 0 | 0 | 0 | 0.0 | 0 | 0 | 0 |

Estimated Capital Budget Expenditures

| Agency Name | 2023-25 | | | 2025-27 | | | 2027-29 | | |
|-------------------------|---------|-------|-------|---------|-------|-------|---------|-------|-------|
| | FTEs | Bonds | Total | FTEs | Bonds | Total | FTEs | Bonds | Total |
| Department of Licensing | .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

NONE

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Phone:

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Date Published:

Final 2/ 7/2023

Individual State Agency Fiscal Note

| | | |
|-----------------------------|---|--|
| Bill Number: 5573 SB | Title: Vehicle licensing options | Agency: 240-Department of Licensing |
|-----------------------------|---|--|

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

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

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: Bryon Moore | Phone: (360)786-7726 | Date: 01/31/2023 |
| Agency Preparation: Aaron Harris | Phone: (360) 902-3795 | Date: 02/06/2023 |
| Agency Approval: Gerrit Eades | Phone: (360)902-3863 | Date: 02/06/2023 |
| OFM Review: Kyle Siefering | Phone: (360) 995-3825 | Date: 02/06/2023 |

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.

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.

See attached fiscal note

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

Agency 240 – Department of Licensing

Bill Number: 5573 SB

Bill Title: Vehicle Licensing Quarterly or Semiannual Registrations

Indeterminate impact to Expenditures and Cash Receipts.

Part 1: Estimates

No Fiscal Impact

Estimated Cash Receipts:

Indeterminate.

Estimated Expenditures:

Indeterminate.

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.

| | | |
|----------------------------------|-----------------------|----------------|
| Legislative Contact: | Phone: (360) | Date: |
| Agency Preparation: Aaron Harris | Phone: (360) 902-3795 | Date: 02/06/23 |
| Agency Approval: Gerrit Eades | Phone: (360) 902-3931 | Date: 02/06/23 |

| | |
|-----------|---------|
| Request # | 1 |
| Bill # | 5573 SB |

Part 2 – Explanation

This bill allows vehicle owners subject to the motor vehicle excise tax (MVET) to renew their vehicle registration on a quarterly or semiannual basis. Effective May 1, 2024.

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

Section 1: New Section in RCW 46.16A

1. Beginning May 1, 2024, vehicle owners may renew their registration on a quarterly or semiannual basis.
2. This alternative registration renewal process is only available to vehicles registered in an area where a regional transit authority (RTA) has imposed motor vehicle excise tax as of the effective date of the section.

2.B - Cash receipts Impact

The revenue impact is indeterminate due to an unknown number of eligible vehicles considering participation in the quarterly or semiannual registration payment option. For demonstration purposes, DOL has provided a revenue impact scenario that assumes a participation rate of 25% of current Regional Transit Authority excise tax paying vehicles, and of those program participants, assumes that 15% will fail to make payments due to leaving the state, financial hardship, etc. The scenario also reflects the additional revenue of the multiple registration transaction associated fees per fiscal year. The total annual revenue loss for fiscal year 2025 is estimated to be (\$3,694,288). The November 2022 Transportation Revenue Forecast is the basis for the scenario. See attached spreadsheet for details.

2.C – Expenditures

Customer Relations Division:

Indeterminate impact to expenditures for the customer service call center and the vehicle and vessel operations unit. Section 1 of this bill is expected to increase call volume to the customer service center from Washingtonians. This increased call volume will require one additional FTE of a Customer Service Specialist 2s. It is also expected that the independent vehicle licensing offices will require additional support from the vehicle and vessel operations unit staff. In 2022, there were 2,481,941 transactions that included RTA fees. DOL is assuming one percent of these transactions will require contact to the vehicle and vessel operations unit, this increase will require two FTEs of a Vehicle Services Liaison Officer 2. (Additional workload estimation $2,481,941 \times 1\% = 24,819$ annually/ $2,068$ monthly/ 103 daily.)

Programs and Services Division:

Indeterminate impact to expenditures for the driver and vehicle records unit. Section 1 of this bill will significantly increase the volume of mail in registrations due to customers having the option of quarterly or semiannual payment options instead of just annually. In 2022, the driver and vehicle records unit processed three thousand mail-in renewal transactions that had RTA fees associated with them. The Driver and Vehicle Records unit assumes that eighty percent of eligible Washingtonians will take advantage of this new quarterly or semiannual renewal program. Assuming a quarterly submission of two thousand four hundred mail-in renewals ($80\% \times 3,000$), the workload volume would increase by four times and would result in the need of one additional FTE of a Licensing Services Representative 2 to process this additional workload.

Information Services Division:

What IS Will Implement:

Licensing - Compliance - Accounts - Cases

1. Modify DRIVES adding Quarterly, Semiannual and Yearly registration options for vehicles within RTA boundaries including mapping each registration timeframe.
2. Add plate logic for mandatory annual fees.

Letters - Renewal Notices - Receipts - Cashiering Receipts

3. Exclude quarterly renewal notices for vehicles within RTA boundaries.

Financials

4. New fee logic to calculate quarterly or semiannual registrations for vehicles within RTA boundaries.

Reporting

5. New report for RTA customers with quarterly or semiannual registrations

eServices

6. Modify eServices for quarterly, semiannual, and yearly registration options for vehicles within RTA boundaries.

Assumptions:

1. Quarterly is defined as 3 months.
2. Semiannual is defined as 6 months.
3. No Change to Service\Licensing Fees.
4. Quarterly or semiannual will prorate 12 months??
5. Quarterly Renewal notices will not be sent as they would not reach the customer in time.
6. Mailing cost would increase due to semiannual registrations.
7. Only applies to motor vehicles registered in the geographic boundaries where a regional transit authority is imposing a motor vehicle excise tax.
8. New registration (same as existing but new expiration date)
 - o 1st - get new month and new year.
 - o 2-4th new month.
 - o Month tab will continue too NOT be accountable.
 - o 3 months -
 - o No quarterly renewal notices.
 - o Customer can mail in or go online.
 - o Offices can still perform mail in batch renewals.
 - o Each renewal - not new year tab - keep same tab.
9. Require email renewal reminder - or send NO notice if they are quarterly, except the biannual and regular renewal notice.
10. Gross weight rules apply for each quarter.
11. If the renewal crosses over a year, we will then issue a new year tab.
12. No change in process to issuance of inventory. Vehicle licensing office will continue to issue all inventory, including registration receipts.
13. Pers Plate \ Special Background.
14. eService work is dependent on modifying DRIVES adding quarterly, semiannual, and yearly registration options for vehicles within RTA boundaries including mapping the each registration timeframe and adding plate logic for mandatory annual fees.

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 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | Total Cost |
|------------------------------------|--|-----------|----------------|----------|----------|----------|----------|----------|----------------|
| TESTER | Test to verify individual components meet requirements; ensure that other business transactions have not been impacted. | \$ 22,620 | 74,600 | - | - | - | - | - | 74,600 |
| BUSINESS ANALYST | Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc. | \$ 16,530 | 14,900 | - | - | - | - | - | 14,900 |
| PROJECT MANAGER | Manage schedule and contracts | \$ 28,710 | 20,100 | - | - | - | - | - | 20,100 |
| 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. | \$ 16,530 | 8,300 | - | - | - | - | - | 8,300 |
| 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. | \$ 37,236 | 130,300 | - | - | - | - | - | 130,300 |
| Trainer | Trains business partners and employees in new system processes and capabilities. | \$ 22,620 | 20,400 | - | - | - | - | - | 20,400 |
| Project Contingency | Office of the Chief Information Officer designated rate of 10% | \$ 25,474 | 26,900 | - | - | - | - | - | 26,900 |
| Totals | | | 295,500 | - | - | - | - | - | 295,500 |

Support Services:

Agency Administrative Overhead is included at a rate of 23.4 percent of the direct program costs. This funding received covers agency-wide functions such as vendor payments, contract administration, financial management, mail processing, equipment management, help desk support, and technical assistance to DOL employees.

Part 3 – Expenditure Detail

3.A – Operating Budget Expenditures

| Operating Expenditures | Fund | FY 24 | FY 25 | 23-25 Total | 25-27 Total | 27-29 Total |
|------------------------|------|----------------|----------------|------------------|----------------|----------------|
| Motor Vehicle | 108 | 796,000 | 463,000 | 1,259,000 | 926,000 | 926,000 |
| Account Totals | | 796,000 | 463,000 | 1,259,000 | 926,000 | 926,000 |

3.B – Expenditures by Object or Purpose

| Object of Expenditure | FY 24 | FY 25 | 23-25 Total | 25-27 Total | 27-29 Total |
|------------------------------|----------------|----------------|--------------------|--------------------|--------------------|
| FTE Staff Years | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Salaries and Wages | 222,000 | 222,000 | 444,000 | 444,000 | 444,000 |
| Employee Benefits | 96,000 | 96,000 | 192,000 | 192,000 | 192,000 |
| Goods and Services | 450,000 | 145,000 | 595,000 | 290,000 | 290,000 |
| Equipment | 28,000 | - | 28,000 | - | - |
| Total By Object Type | 796,000 | 463,000 | 1,259,000 | 926,000 | 926,000 |

3.C – FTE Detail

| Staffing | Salary | FY 24 | FY 25 | 23-25 Total | 25-27 Total | 27-29 Total |
|-------------------------------------|---------------|--------------|--------------|--------------------|--------------------|--------------------|
| Vehicle Services Liaison Officer 2 | 58,704 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Customer Service Specialist 2 | 46,980 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Licensing Services Representative 2 | 57,324 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Total FTE | | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |

Part 4 – Capital Budget Impact

None.

Part 5 – New Rule Making Required

None.

SB 5573 Quarterly or semiannual registrations -- Revenue Impact Scenario

| Fee/Fund - Revenue Estimate | Fee/Share | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 | FY33 |
|--|------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Annual Fees | | \$ (945,000) | \$ (5,794,200) | \$ (5,921,400) | \$ (6,042,400) | \$ (6,136,700) | \$ (6,229,700) | \$ (6,321,500) | \$ (6,412,000) | \$ (6,501,300) | \$ (6,590,600) |
| Vehicles paying Basic License Fee (\$30) | \$ 30.00 | \$ (339,400) | \$ (2,079,300) | \$ (2,124,700) | \$ (2,167,900) | \$ (2,200,000) | \$ (2,232,000) | \$ (2,263,500) | \$ (2,294,500) | \$ (2,324,900) | \$ (2,354,900) |
| Motor Vehicle Account (108) | \$ 5.47 | \$ (61,900) | \$ (379,100) | \$ (387,400) | \$ (395,300) | \$ (401,100) | \$ (407,000) | \$ (412,700) | \$ (418,400) | \$ (423,900) | \$ (429,400) |
| WSP Highway Account (081) | \$ 23.60 | \$ (267,000) | \$ (1,635,700) | \$ (1,671,400) | \$ (1,705,400) | \$ (1,730,700) | \$ (1,755,800) | \$ (1,780,600) | \$ (1,805,000) | \$ (1,828,900) | \$ (1,852,500) |
| Puget Sound Ferry Operations (109) | \$ 0.93 | \$ (10,500) | \$ (64,500) | \$ (65,900) | \$ (67,200) | \$ (68,200) | \$ (69,200) | \$ (70,200) | \$ (71,100) | \$ (72,100) | \$ (73,000) |
| Vehicles paying Weight-based Registration Fee (All Trucks) | \$ 85.62 | \$ (112,900) | \$ (689,300) | \$ (697,700) | \$ (705,400) | \$ (712,100) | \$ (718,200) | \$ (724,300) | \$ (730,100) | \$ (735,600) | \$ (741,000) |
| Motor Vehicle Account (108) | 59.50% | \$ (81,900) | \$ (499,100) | \$ (504,100) | \$ (508,700) | \$ (512,900) | \$ (516,700) | \$ (520,300) | \$ (523,800) | \$ (527,100) | \$ (530,200) |
| WSP Highway Account (081) | 22.36% | \$ (13,800) | \$ (84,800) | \$ (86,600) | \$ (88,400) | \$ (89,700) | \$ (91,000) | \$ (92,300) | \$ (93,600) | \$ (94,800) | \$ (96,000) |
| Puget Sound Ferry Operations (109) | 1.38% | \$ (3,700) | \$ (22,500) | \$ (23,000) | \$ (23,400) | \$ (23,800) | \$ (24,100) | \$ (24,500) | \$ (24,800) | \$ (25,100) | \$ (25,500) |
| Nickel Account (550) | 5.24% | \$ (500) | \$ (3,400) | \$ (3,500) | \$ (3,500) | \$ (3,600) | \$ (3,600) | \$ (3,700) | \$ (3,700) | \$ (3,800) | \$ (3,800) |
| Transportation Partnership Account (09H) | 11.53% | \$ (13,000) | \$ (79,500) | \$ (80,500) | \$ (81,400) | \$ (82,100) | \$ (82,800) | \$ (83,500) | \$ (84,200) | \$ (84,800) | \$ (85,500) |
| Passenger Vehicle Weight Fees | \$ 40.50 | \$ (458,300) | \$ (2,807,100) | \$ (2,868,300) | \$ (2,926,600) | \$ (2,970,100) | \$ (3,013,200) | \$ (3,055,700) | \$ (3,097,600) | \$ (3,138,600) | \$ (3,179,000) |
| Multimodal Account (218) | 100% | \$ (458,300) | \$ (2,807,100) | \$ (2,868,300) | \$ (2,926,600) | \$ (2,970,100) | \$ (3,013,200) | \$ (3,055,700) | \$ (3,097,600) | \$ (3,138,600) | \$ (3,179,000) |
| Electric/Plug-in Vehicle Renewal Fee (\$100) (assumed dist 70%/15%/15%) | \$ 100.00 | \$ (2,700) | \$ (19,900) | \$ (23,700) | \$ (27,400) | \$ (31,100) | \$ (34,700) | \$ (38,300) | \$ (41,800) | \$ (45,600) | \$ (49,800) |
| Motor Vehicle Fund (108) | 70% | \$ (1,900) | \$ (13,900) | \$ (16,500) | \$ (19,200) | \$ (21,700) | \$ (24,300) | \$ (26,900) | \$ (29,200) | \$ (32,000) | \$ (34,800) |
| Rural Arterial Trust Account (102) | 15% | \$ (400) | \$ (3,000) | \$ (3,600) | \$ (4,100) | \$ (4,700) | \$ (5,200) | \$ (5,700) | \$ (6,300) | \$ (6,800) | \$ (7,500) |
| Transportation Improvement Account (144) | 15% | \$ (400) | \$ (3,000) | \$ (3,600) | \$ (4,100) | \$ (4,700) | \$ (5,200) | \$ (5,700) | \$ (6,300) | \$ (6,800) | \$ (7,500) |
| Additional Electric/Plug-in Renewal Fee (\$50) | \$ 50.00 | \$ (1,300) | \$ (9,900) | \$ (11,900) | \$ (13,700) | \$ (15,600) | \$ (17,400) | \$ (19,100) | \$ (20,900) | \$ (22,800) | \$ (24,900) |
| Motor Vehicle Account (108) | 100% | \$ (1,300) | \$ (9,900) | \$ (11,900) | \$ (13,700) | \$ (15,600) | \$ (17,400) | \$ (19,100) | \$ (20,900) | \$ (22,800) | \$ (24,900) |
| Electrification Fee (deposit to Motor Vehicle Acct starting FY26) | \$ 75.00 | \$ (30,400) | \$ (188,700) | \$ (195,100) | \$ (201,400) | \$ (207,800) | \$ (214,200) | \$ (220,600) | \$ (227,100) | \$ (233,800) | \$ (241,000) |
| Electric Vehicle Account (20J) | | \$ (30,400) | \$ (188,700) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Motor Vehicle Account (108) | | \$ - | \$ - | \$ (195,100) | \$ (201,400) | \$ (207,800) | \$ (214,200) | \$ (220,600) | \$ (227,100) | \$ (233,800) | \$ (241,000) |
| Per Transaction Fees | | \$ 110,900 | \$ 2,099,912 | \$ 2,521,863 | \$ 2,570,763 | \$ 2,607,525 | \$ 2,643,763 | \$ 2,679,500 | \$ 2,714,825 | \$ 2,749,238 | \$ 2,783,050 |
| Registration Service fee (per transaction by DOL) | \$ 8.00 | \$ 38,200 | \$ 1,402,800 | \$ 1,684,700 | \$ 1,717,400 | \$ 1,741,900 | \$ 1,766,200 | \$ 1,790,100 | \$ 1,813,600 | \$ 1,836,600 | \$ 1,859,200 |
| Capital Vessel Replacement Account (18J) | | \$ 38,200 | \$ 1,402,800 | \$ 1,684,700 | \$ 1,717,400 | \$ 1,741,900 | \$ 1,766,200 | \$ 1,790,100 | \$ 1,813,600 | \$ 1,836,600 | \$ 1,859,200 |
| Filing Fee (per trans by DOL) | \$ 4.50 | \$ 1,100 | \$ 39,500 | \$ 47,400 | \$ 48,300 | \$ 49,000 | \$ 49,700 | \$ 50,300 | \$ 51,000 | \$ 51,700 | \$ 52,300 |
| Highway Safety Fund (106) | | \$ 1,100 | \$ 39,500 | \$ 47,400 | \$ 48,300 | \$ 49,000 | \$ 49,700 | \$ 50,300 | \$ 51,000 | \$ 51,700 | \$ 52,300 |
| DOL Service Fee (per transaction) | \$ 0.50 | \$ 71,600 | \$ 438,400 | \$ 526,500 | \$ 536,700 | \$ 544,400 | \$ 551,900 | \$ 559,400 | \$ 566,800 | \$ 574,000 | \$ 581,000 |
| DOL Services Account (20I) | Pass Veh | \$ 64,100 | \$ 392,800 | \$ 472,200 | \$ 481,800 | \$ 488,900 | \$ 496,000 | \$ 503,000 | \$ 509,900 | \$ 516,700 | \$ 523,300 |
| Move Ahead Washington Account (26P) | Light Trucks | \$ 7,500 | \$ 45,600 | \$ 54,300 | \$ 54,900 | \$ 55,500 | \$ 55,900 | \$ 56,400 | \$ 56,900 | \$ 57,300 | \$ 57,700 |
| Licence Plate Technology Fee (per transaction) | \$ 0.25 | \$ - | \$ 219,212 | \$ 263,263 | \$ 268,363 | \$ 272,225 | \$ 275,963 | \$ 279,700 | \$ 283,425 | \$ 286,938 | \$ 290,550 |
| DOL Services Account (20I) | Pass Veh | \$ 32,100 | \$ 196,400 | \$ 236,100 | \$ 240,900 | \$ 244,500 | \$ 248,000 | \$ 251,500 | \$ 255,000 | \$ 258,300 | \$ 261,700 |
| Move Ahead Washington Account (26P) | Light Trucks | \$ 3,736.00 | \$ 22,812 | \$ 27,163 | \$ 27,463 | \$ 27,725 | \$ 27,963 | \$ 28,200 | \$ 28,425 | \$ 28,638 | \$ 28,850 |
| Total Impact | | \$ (834,100) | \$ (3,694,288) | \$ (3,399,537) | \$ (3,471,637) | \$ (3,529,175) | \$ (3,585,937) | \$ (3,642,000) | \$ (3,697,175) | \$ (3,752,062) | \$ (3,807,550) |

Transactions Estimate

Payment Plan Participants Loss due to Payment Failure

| Original and Renewal per Vehicle | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 | FY33 |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Passenger Car | (11,316) | (69,311) | (70,823) | (72,263) | (73,335) | (74,400) | (75,450) | (76,485) | (77,498) | (78,495) |
| Trucks | (1,319) | (8,051) | (8,149) | (8,239) | (8,318) | (8,389) | (8,460) | (8,528) | (8,591) | (8,655) |
| Total | (12,634) | (77,363) | (78,971) | (80,501) | (81,653) | (82,789) | (83,910) | (85,013) | (86,089) | (87,150) |

Current Transactions Renewal Only

| | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 | FY33 |
|-----------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| HEV | (379) | (2,317) | (2,364) | (2,411) | (2,459) | (2,508) | (2,558) | (2,610) | (2,662) | (2,715) |
| BEV+PHEV | (27) | (199) | (237) | (274) | (311) | (347) | (383) | (418) | (456) | (498) |
| Total EV | (405) | (2,516) | (2,601) | (2,685) | (2,771) | (2,856) | (2,941) | (3,028) | (3,118) | (3,213) |

Payment Plan Additional Transactions as a Result of Multiple Payments per Fiscal Year

| Original and Renewal | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 | FY33 |
|----------------------|------|------|------|------|------|------|------|------|------|------|
|----------------------|------|------|------|------|------|------|------|------|------|------|

| | | | | | | | | | | | |
|---------------------------------------|------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Passenger Car | | 128,244 | 785,528 | 944,300 | 963,500 | 977,800 | 992,000 | 1,006,000 | 1,019,800 | 1,033,300 | 1,046,600 |
| Trucks | | 14,946 | 91,248 | 108,650 | 109,850 | 110,900 | 111,850 | 112,800 | 113,700 | 114,550 | 115,400 |
| Total | | 143,190 | 876,775 | 1,052,950 | 1,073,350 | 1,088,700 | 1,103,850 | 1,118,800 | 1,133,500 | 1,147,850 | 1,162,000 |
| Total Filing Fees | 1% | 239 | 8,768 | 10,530 | 10,734 | 10,887 | 11,039 | 11,188 | 11,335 | 11,479 | 11,620 |
| Total Registration Service Fee | 20% | 4,773 | 175,355 | 210,590 | 214,670 | 217,740 | 220,770 | 223,760 | 226,700 | 229,570 | 232,400 |

Assumptions:

Effective Date is May 1, 2024 (FY2024 partial year @ 2 months).

This analysis is based on the November 2022 Transportation Revenue Forecast which as adopted by the Transportation Revenue Forecast Council.

A share of RTA Excise tax transactions in total Vehicle Registrations transactions is used to determine the eligible vehicle counts base (30%).

For the purposes of this scenario, revenue impact analysis will focus on registration and related fees associated with the following vehicle use types: Passenger Cars, Light Trucks (labeled as Trucks in the table above).

For the purposes of analysis, revenue impact related to payment plan transactions for Electric Vehicle fees is assumed to be only related to Passenger Cars.

It is assumed that 25% of all eligible vehicles will opt to pay the initial registration or registration renewal on a quarterly or semiannual basis.

Of the program participants, an estimated 15% will fail to make payments due to leaving the state, financial hardship, etc.

Where fee amounts vary by vehicle weight (i.e. Trucks licensed by weight and Passenger weight fees) an average fee will be used.

Average amount of payment is used for the analysis (50% semiannual, 50% quarterly, average 3 payments per year).

It is assumed that at the time of partial payment transaction Registration Service Fee, Filing Fee, DOL Service fee, and License Plate Technology Fee will be charged.

LOCAL GOVERNMENT FISCAL NOTE

Revised

Department of Commerce

Bill Number: 5573 SB

Title: Vehicle licensing options

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

Legislation Impacts:

- Cities:
- Counties:
- Special Districts: indeterminate impact on Motor Vehicle Excise Tax revenue
- Specific jurisdictions only: Regional Transit Authority Areas imposing the Motor Vehicle Excise Tax
- 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: how many vehicle owners would move out of the RTA area

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: 02/07/2023 |
| Leg. Committee Contact: Bryon Moore | Phone: (360)786-7726 | Date: 01/31/2023 |
| Agency Approval: Allan Johnson | Phone: 360-725-5033 | Date: 02/07/2023 |
| OFM Review: Kyle Siefering | Phone: (360) 995-3825 | Date: 02/07/2023 |

Part IV: Analysis

A. SUMMARY OF BILL

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

This bill would create the option for vehicle owners in the geographic boundaries of a Regional Transit Authority (RTA) that is imposing a Motor Vehicle Excise Tax (MVET) to pay their initial registration or renewal on a quarterly or semiannual basis beginning May 1, 2024.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This bill would not impact local government expenditures 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.

This bill would have an indeterminate impact on Motor Vehicle Excise Tax (MVET) revenues for the Regional Transit Authority (RTA) imposing the tax. Vehicle registration fees due would not change, this bill only allows the owner to pay it in separate transactions during the year. This could cause a decrease in revenue if a vehicle owner fails to make the remaining payments due to moving out of the state.

For the purpose of this note, the increase or decrease of vehicle registration compliance is merely speculative, therefore not addressed.

SOURCES:

Department of Licensing fiscal note, SB 5573 (2023)

Senate Bill Report, SB 5573 Transportation Committee (2/3/2023)

Washington State Association of Counties