Multiple Agency Fiscal Note Summary

Bill Number: 1449 E S HB AMS ERIC S3163.1	**Title:** Oil transportation safety

Estimated Cash Receipts

Agency Name	2015-17		2017-19		2019-21	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of Attorney General	0	182,614	0	0	0	0
Department of Revenue	0	3,092,000	0	2,800,000	0	3,560,000
Utilities and Transportation Commission	0	2,500,000	0	2,500,000	0	2,500,000
Total $	**0**	**5,774,614**	**0**	**5,300,000**	**0**	**6,060,000**

Local Gov. Courts *						
Loc School dist-SPI						
Local Gov. Other **		3,462,000		4,000,000		4,000,000
Local Gov. Total		3,462,000		4,000,000		4,000,000

Estimated Expenditures

Agency Name	2015-17			2017-19			2019-21		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.7	0	182,614	.0	0	0	.0	0	0
Department of Revenue	.0	2,900	2,900	.0	0	0	.0	0	0
Board of Pilotage Commissioners	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Utilities and Transportation Commission	8.7	0	2,849,388	8.0	0	2,456,372	8.0	0	2,456,372
Military Department	10.0	0	2,487,100	10.0	0	2,428,500	10.0	2,428,500	2,428,500
Department of Ecology	13.3	0	7,095,448	8.6	0	6,007,374	8.4	0	5,889,076
Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
Department of Fish and Wildlife	.3	0	71,200	.3	0	54,000	.2	0	36,800
Total	**33.0**	**$2,900**	**$12,688,650**	**26.9**	**$0**	**$10,946,246**	**26.6**	**$2,428,500**	**$10,810,748**

Local Gov. Courts *									
Loc School dist-SPI									
Local Gov. Other **			3,653,602			4,191,602			4,095,801
Local Gov. Total			3,653,602			4,191,602			4,095,801

Estimated Capital Budget Impact

NONE

* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 42260

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). A fiscal analysis was prepared to show the projected ten-year cost to tax or fee payers of the proposed taxes or fees. The ten-year projection can be viewed at

http://www.ofm.wa.gov/tax/default.asp

Prepared by: Linda Steinmann, OFM	**Phone:** 360-902-0573	**Date Published:** Final 5/20/2015

* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 42260

Individual State Agency Fiscal Note

Bill Number:	Title:	Agency:
1449 E S HB AMS ERIC S3163.1	Oil transportation safety	090-Office of State Treasurer

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT	FY 2016	FY 2017	2015-17	2017-19	2019-21
Oil Spill Prevention Account-State 217-1	2,225,000		2,225,000		
Oil Spill Response Account-State 223-1	(2,225,000)		(2,225,000)		
Total $					

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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

Check applicable boxes and follow corresponding instructions:

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

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

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:		Phone:	Date: 04/28/2015
Agency Preparation:	Dan Mason	Phone: 360-902-9090	Date: 05/05/2015
Agency Approval:	Dan Mason	Phone: 360-902-9090	Date: 05/05/2015
OFM Review:	Regan Hesse	Phone: (360) 902-0650	Date: 05/05/2015

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.

ESHB 1449 AMS ERIC S3163.1 directs the state treasurer to transfer two million two hundred twenty-five thousand dollars from the oil spill response account to the oil spill prevention account by July 31, 2015.

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.

Under section 29, the state treasurer will transfer two million two hundred twenty-five thousand dollars from the oil spill response account to the oil spill prevention account.

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.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

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.

Individual State Agency Fiscal Note

Bill Number: 1449 E S HB AMS ERIC S3163.1	Title: Oil transportation safety	Agency: 100-Office of Attorney General

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT	FY 2016	FY 2017	2015-17	2017-19	2019-21
Legal Services Revolving Account-State 405-1	101,452	81,162	182,614		
Total $	101,452	81,162	182,614		

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.8	0.6	0.7	0.0	0.0
Account					
Legal Services Revolving Account-State 405-1	101,452	81,162	182,614	0	0
Total $	101,452	81,162	182,614	0	0

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43 .135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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

Check applicable boxes and follow corresponding instructions:

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

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

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:		Phone:	Date: 04/28/2015
Agency Preparation:	Michael Shinn	Phone: 360-759-2100	Date: 05/01/2015
Agency Approval:	Nick Klucarich	Phone: 360-586-3434	Date: 05/01/2015
OFM Review:	Regan Hesse	Phone: (360) 902-0650	Date: 05/06/2015

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 amends RCW 90.56.005 to add reference to transportation of oil by railroad to this findings section.

Section 2 amends RCW 88.46.010 to add oil transportation by rail car not owned by the state to facilities definition for purposes of RCW 90.56.210.

Section 3 amends RCW 90.56.010 at paragraph 11(b) to add oil transportation by rail car not owned by the state to facilities definition for purposes of RCW 90.56.210.

Section 4 amends RCW 90.56.200 to exclude railroad facility operators from operation of subsection (2).

Section 5 amends RCW 90.56.210 to require the Department of Ecology (ECY) to adopt rules determining contingency plans for railroads transporting oil in bulk.

Section 6 amends RCW 90.56.500 to allow the oil spill response account (OSRA) to be used for imminent threats of spills, to allow the legislature to transfer $2.225M from the account to the prevention account created in RCW 90.56.510

Section 7 amends RCW 90.56.510 to allow funds from the OSRA to be used for local emergency planning response plans, until June 20, 2019.

Section 8 adds a new section to Chapter 90.56 RCW requiring seven day advance notices to ECY when a facility will receive oil from a railroad car. That information may be shared with the Emergency Management Division (EMD) and local government entities. ECY must publish collected information quarterly on the internet. Only aggregated information collected by ECY is subject to disclosure under Chapter 42.56 RCW. ECY is required to adopt implementing rules.

Section 9 amends RCW 88.40.011 as to the definition of oil only.

Section 10 adds a new section to Chapter 81.04 requiring the Utilities and Transportation Commission (UTC) to require railroad companies transporting crude oil in Washington to submit information regarding the company's ability to pay for damages due to spills.

Section 11 adds a new section to Chapter 90.56 RCW to require ECY to complete an evaluation of vessel traffic management and safety within and near the mouth of the Columbia River, with a draft due 12/15/17 and a final due 6/30/18.

Section 12 adds a new section to Chapter 88.16 RCW to allow the board of pilotage commissioners to adopt rules regarding escort requirements for vessels near the Grays Harbor pilotage district.

Section 13 amends RCW 82.23B.010 to add a bulk oil terminal definition, which is a facility other than a waterborne vessel used for transferring oil from a railroad tank car.

Section 14 amends RCW 82.23B.020 to impose a tax on receipt of oil at a bulk terminal from a tank car.

Sections 15 and 16 amend RCW 82.23B.030 and .040 to add bulk oil terminals to marine terminals as impacted facilities.

Section 17 amends RCW 38.52.040 to require the State Emergency Management Council (EMC) to require local emergency planning organizations to submit hazardous material plans, and allowing the EMC to employ staff to assist local planning committees in plan development and review.

Section 18 amends RCW 81.24.010 to set fees for companies, and specifying different fees for railroad companies for the purpose of administering UTC's rail safety program.

Section 19 adds a new section to Chapter 81.44 RCW allowing UTC employees to perform hazardous materials inspections on the property of businesses handling hazardous materials by rail.

Section 20 amends RCW 81.53.010 to modify definitions and make them applicable throughout Chapter 81.53 RCW. A definition of private crossing is added.

Section 21 amends RCW 81.53.240 to allow first class cities to opt into the UTC's crossing safety inspection program and requiring such cities to provide a list of all existing public crossings in the city.

Section 22 adds a new section to Chapter 81.53 allowing the UTC to adopt rules regarding private crossing safety and to conduct safety inspections on private crossings.

Section 24 amends RCW 42.56.270 to exempt from public disclosure unaggregated information submitted to ECY pursuant to Section 8.

Section 25 adds a new section to Chapter 90.56 RCW requiring ECT to provide to the legislature a review of all state response plans by 12/31/15 and updates each two years from 2017 through 2021.

Section 26 adds a new section to an unspecified location requiring ECY to provide grants to emergency responders for oil spill response, within funds appropriated for the purpose.

Section 27 is a new section requiring the senate energy, environment and telecommunications committee and the house environment committee to hold at least one meeting on oil spill prevention and response activities.

Section 28 makes the act effective July 1, 2015.

Section 29 requires the treasurer to transfer funds pursuant to section 6.

Section 30 is a severance clause.

In order to provide legal services for ECY, the Attorney General's Office (AGO) estimates a workload impact of:
FY2016: 0.5 Assistant Attorney General (AAG) and 0.25 Legal Assistant (LA) at a cost of $101,452.
FY2017: 0.4 AAG and 0.2 LA at a cost of $81,162.

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.

Funds are assumed to be appropriated Legal Service Revolving Account dollars. Legal services costs incurred by the AGO will be billed through the revolving fund to the client agency.

The client agency is assumed to be ECY. The AGO will bill ECY for legal services rendered.

Please note that these cash receipts represent the AGO authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agency's fiscal note. Appropriation authority is necessary in the AGO budget.

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.

In order to provide legal services for ECY, the AGO estimates a workload impact of:
FY2016: 0.5 AAG and 0.25 LA at a cost of $101,452.
FY2017: 0.4 AAG and 0.2 LA at a cost of $81,162.

AGO Agency Assumptions:

1. Legal services associated with the enactment of this bill are assumed to begin on July 1, 2015.

2. We assume no fiscal impact for legal services provided to UTC. While this bill will require additional UTC inspections and complex rulemaking, the AGO UTC Division expects to provide legal support for such work within existing resources.

3. We assume any legal services resulting from the enactment of this bill can be provided with existing resources in FY2018 and in each FY thereafter.

AGO Ecology Division Assumptions:

1. We assume we will bill ECY for legal services based on the enactment of this bill.

2. We assume legal services for advice to ECY for contingency plan rule-making, and establishing the grant program required by Sections 5 and 26 of the bill respectively. This is based on the time required for other rules and programs of a similar level of complexity and controversy. We assume:

A. FY2016 - 0.2 AAG and 0.1 LA for the grant program; 0.1AAG and 0.05 LA for contingency plan rule-making.

B. FY2017 – 0.2 AAG and 0.1 LA for the grant program.

3. We assume the defense of anticipated lawsuits by oil/railroad companies challenging the constitutionality of this bill. This bill contains provisions requiring state contingency plans for railroads delivering oil to marine

terminals that are similar to those already passed by California. See Section 5. After passage of the California bill, the railroads sued to invalidate the bill including its contingency plan provisions based on federal preemption. We assume 0.2 AAG and 0.1 LA in FY2016 and FY2017.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.8	0.6	0.7		
A-Salaries and Wages	55,353	44,283	99,636		
B-Employee Benefits	17,226	13,781	31,007		
C-Professional Service Contracts					
E-Goods and Other Services	24,373	21,298	45,671		
G-Travel	750	600	1,350		
J-Capital Outlays	3,750	1,200	4,950		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	$101,452	$81,162	$182,614	$0	$0

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 2016	FY 2017	2015-17	2017-19	2019-21
Assistant Attorney General	90,972	0.5	0.4	0.5		
Legal Assistant II	42,588	0.3	0.2	0.2		
Total FTE's	133,560	0.8	0.6	0.7		0.0

III. C - Expenditures By Program (optional)

Program	FY 2016	FY 2017	2015-17	2017-19	2019-21
Ecology Division (ECY)	101,452	81,162	182,614		
Total $	101,452	81,162	182,614		

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.

None.

Department of Revenue Fiscal Note

Bill Number: 1449 E S HB AMS ERIC S3163.1	Title: Oil transportation safety	Agency: 140-Department of Revenue

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

Account	FY 2016	FY 2017	2015-17	2017-19	2019-21
State Oil Spill Prevention Account-State 01 - Taxes 70 - Other Taxes	642,000	1,100,000	1,742,000	2,800,000	3,560,000
State Oil Spill Response Account-State 01 - Taxes 70 - Other Taxes	675,000	675,000	1,350,000		
Total $	1,317,000	1,775,000	3,092,000	2.800.000	3,560,000

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.1		0.0		
Account					
GF-STATE-State 001-1	2,900		2,900		
Total $	2,900		2,900		

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43 .135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees .

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

Check applicable boxes and follow corresponding instructions:

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

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

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:		Phone:	Date: 04/28/2015
Agency Preparation:	Steve Smith	Phone: 360-534-1518	Date: 05/11/2015
Agency Approval:	Don Gutmann	Phone: 360-534-1510	Date: 05/11/2015
OFM Review:	Kathy Cody	Phone: (360) 902-9822	Date: 05/11/2015

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.

Note: This revised fiscal note reflects Senate amendment S AMD 460 to ESHB 1449, 2015 Legislative Session. The revision is to the revenue impacts and this fiscal note supercedes 1449-10.

OIL SPILL ADMINISTRATION TAX
The oil spill administration tax (OSA tax) is imposed on crude oil or petroleum products received at a marine terminal in Washington from vessels or barges. The tax only applies to the first receipt and not to subsequent receipts of the same oil or petroleum products. Credits may be taken for oil exported or sold for export, or for oil used in the manufacture of nonfuel products. The current tax rate is four cents per 42 gallon barrel. All OSA tax receipts are deposited into the oil spill prevention account.

OIL SPILL RESPONSE TAX
The oil spill response tax (OSR tax) is similar to the OSA tax and is imposed on the same activities; the tax rate is one cent per barrel. All OSR tax receipts are deposited into the oil spill response account. The OSR tax is imposed for an entire calendar quarter, unless the tax was imposed during the immediately preceding calendar quarter and the most recent quarterly balance is more than $9 million, or the OSR tax was not imposed during the immediately preceding calendar quarter and the most recent quarterly balance is more than $8 million.

THIS LEGISLATION extends the OSA and OSR taxes to crude oil or petroleum products transported by railroad in addition to such products transported by vessel. There are no changes to either the OSR or the OSA tax rates.

The bill also directs the state treasurer to transfer, by July 31, 2015, $2,225,000 from the OSR account to the OSP account.

In addition, the bill allows the legislature to transfer during the 2015-17 biennium up to $2,225,000 from the OSR account to the OSP account.

The bill is effective on July 1, 2015.

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 AND DATA SOURCES
Under current law there would be 63.5 million taxed barrels received at marine terminals from vessels or barges in Fiscal Year 2016;
- This is expected to decline rapidly as shipments of Alaskan oil that come in by vessel are replaced by cheaper, untaxed crude oil that comes from Canada and the Bakken fields in North Dakota and Montana, and is transported by rail and/or pipeline;
- Total taxed barrels would average 81 million a year if rail shipments were subject to the oil spill administration tax;
- Compliance is not expected to be a problem since there are, and will be, a small number of large, well known taxpayers, and because the volume of shipments are currently tracked and will be tracked more closely under this law;
- This proposal is expected to result in six to twelve additional taxpayers;
- The extension of the OSR tax to crude oil transported by rail is not in itself expected to increase balances in the oil spill response account because the account balance is currently above $9 million and under current law is expected to remain above $9 million through Fiscal Year 2021;
- However, the transfer of $2,225,000 from the OSR account to the OSP account will cause the OSR account to fall below

the required minimum balance, thus resulting in $675,000 in OSR tax receipts over the last ten months of Fiscal Year 2016 and $675,000 over the first ten months of Fiscal Year 2017;
- The OSR account balance is currently $10 million;
- Since the Department of Revenue has no information to the contrary, it is also assumed that the Legislature will not choose to transfer up to $2,225,000 from the OSR account to the OSP account during the 2015-17 biennium, as the bill allows;
- This bill is effective July 1, 2015, resulting in 11 months' OSA tax receipts in Fiscal Year 2016 from the transportation of crude oil or petroleum products by railroad;
- It is also assumed that there will be no oil spill reimbursements to the Department of Ecology from responsible parties.

Data is from the Washington State Departments of Revenue and Ecology.

REVENUE ESTIMATES
Oil spill prevention account revenues are expected to increase by $642,000 in Fiscal Year 2016 and $1.1 million in Fiscal Year 2017.

Oil spill response account revenues are expected to increase by $675,000 in Fiscal Year 2016 and increase by 675,000 in Fiscal Year 2017.

There is no impact to local taxing jurisdictions.

TOTAL REVENUE IMPACT:

State Government (cash basis, $000):
FY 2016 - $ 1,317
FY 2017 - $ 1,775
FY 2018 - $ 1,300
FY 2019 - $ 1,500
FY 2020 - $ 1,780
FY 2021 - $ 1,780

Local Government, if applicable (cash basis, $000): No impact

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.

ASSUMPTIONS
28 taxpayers will be affected by this legislation

FIRST YEAR COSTS
The Department of Revenue (Department) will incur total costs of $2,900 in Fiscal Year 2016. These costs include:

Labor Costs – Time and effort equates to 0.07 FTEs.
- Amend one administrative rule.

ONGOING COSTS
There are no ongoing costs.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.1		0.0		
A-Salaries and Wages	1,900		1,900		
B-Employee Benefits	600		600		
E-Goods and Other Services	200		200		
J-Capital Outlays	200		200		
Total $	$2,900		$2,900		

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 2016	FY 2017	2015-17	2017-19	2019-21
ADM ASST 5	47,014	0.0		0.0		
EMS BAND 4	103,896	0.0		0.0		
HEARINGS SCHEDULER	32,688	0.0		0.0		
TAX POLICY SP 2	61,628	0.0		0.0		
TAX POLICY SP 3	69,756	0.0		0.0		
TAX POLICY SP 4	75,080	0.0		0.0		
Total FTE's	390,062	0.1		0.1		

Part IV: Capital Budget Impact

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and dexcribe potential financing methods

NONE

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.

Should this legislation become law, the Department will use the expedited rule-making process to amend WAC 458-20-260, titled: "Oil spill response and administration tax." Persons affected by this rule making would include persons receiving crude oil or petroleum products at a marine terminal or bulk oil terminal in this state from a vessel, barge, or tank car.

Individual State Agency Fiscal Note

Bill Number: 1449 E S HB AMS ERIC S3163.1	**Title:** Oil transportation safety	**Agency:** 205-Board of Pilotage Commissioners

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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

Check applicable boxes and follow corresponding instructions:

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

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

☐ Capital budget impact, complete Part IV.

☒ Requires new rule making, complete Part V.

Legislative Contact:		Phone:	Date: 04/28/2015
Agency Preparation:	Chad Johnson	Phone: (360) 407-8130	Date: 04/28/2015
Agency Approval:	Chad Johnson	Phone: (360) 407-8130	Date: 04/28/2015
OFM Review:	Erik Hansen	Phone: 360-902-0423	Date: 04/30/2015

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 12 requires all oil tankers above a certain size, all articulated tug barges and other towed waterborne vessels or barges transiting the waters of Grays Harbor to employ state-licensed pilots, tug escorts, and other safety measures. This measure will require rule-making modifications to include articulated tug barges and other towed waterborne vessels or barges operating on the waters of Grays Harbor.

Section 12 also requires the Pilotage Commission to consult with the Department of Ecology to analyze the results of vessel traffic risk assessments and proceed with rule-making which must be designed to achieve best achievable protection. Prior to proceeding with rule-making the Commission shall consult with the United States Coast Guard, Grays Harbor Safety Committee, area tribes, Public Ports, local governments, and other appropriate entities.

Changed only the section referenced from section 10 to section 12.

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.

To initiate and manage the rule-making process for requirements in section 10, the Pilotage Commission estimates it will take one full-time Environmental Planner 4 from July 1, 2016 to June 30, 2017 (1 FTE for the year). Based on consultation with the Attorney General's Office, the Pilotage Commission estimates that AAG support would be provided within existing resources for this rule-making process. Based on previous rule-making processes the Pilotage Commission has conducted, these sections would also require a $150,000 contract for services from July 1, 2015 to June 30, 2017 to perform cost benefit analyses. This bill allows for future rulemaking elsewhere in the state if additional oil handling facilities are permitted or approved by EFSEC, although the costs can be quantified, it is unclear if or when the rulemaking would occur, therefore, the costs in 2015-17 and beyond are indeterminate.

No changes to agencies sections.

Part III: Expenditure Detail

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.

Chapter 88.16 RCW is the Pilotage Act. RCW 88.16.190 (standard safety features required for oil tankers) currently 1) prohibits oil tankers larger than 125,000 deadweight tons from traveling beyond a point east of a line extending from

Discovery Island light south to New Dungeness light; 2) allows oil tankers from 40,000 up to 125,000 deadweight tons to travel in these areas if equipped with specific safety features or if escorted by a tug or tugs; and 3) exempts oil tankers less than 40,000 deadweight tons from the requirements of RCW 88.16.170-190.

Section 16 and 17 would reinforce existing tug escort requirements for oil tankers larger than 40,000 deadweight tons traveling through Puget Sound and add pilotage requirements for articulated tug barges and other towed waterborne vessels or barges. Section 17 would give the Pilotage commission the authority to adopt rules for Grays Harbor and the Columbia River and to ensure that escort tugs have sufficient capacity for safe escort.

Individual State Agency Fiscal Note

Bill Number: 1449 E S HB AMS ERIC S3163.1	Title: Oil transportation safety	Agency: 215-Utilities and Transportation Comm

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT	FY 2016	FY 2017	2015-17	2017-19	2019-21
Public Service Revolving Account-State 111-1	1,250,000	1,250,000	2,500,000	2,500,000	2,500,000
Total $	1,250,000	1,250,000	2,500,000	2,500,000	2,500,000

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	9.3	8.0	8.7	8.0	8.0
Account					
Public Service Revolving Account-State 111-1	1,621,202	1,228,186	2,849,388	2,456,372	2,456,372
Total $	1,621,202	1,228,186	2,849,388	2,456,372	2,456,372

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43 .135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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

Check applicable boxes and follow corresponding instructions:

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

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

☐ Capital budget impact, complete Part IV.

☒ Requires new rule making, complete Part V.

Legislative Contact:		Phone:	Date: 04/28/2015
Agency Preparation:	Kim Anderson	Phone: 360-664-1153	Date: 04/28/2015
Agency Approval:	Sondra Walsh	Phone: 360-664-1286	Date: 04/28/2015
OFM Review:	Cheri Keller	Phone: 360-902-0563	Date: 04/28/2015

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 10 – Requires the commission to collect financial information, relating to a railroads ability to pay damages in the event of a spill or accident, from railroads that haul crude oil in Washington. Section 10 will require a simple rulemaking. A consultant may be needed to assess adequate parameteres to address the ability to pay for a spill or accident criteria.

Section 18 allows the commission to assess a regulatory fee on railroads operating in the state of 2.5% of gross intrastate operating revenue. Class 3 railroads that do not move crude oil will be exempt from the fee increase and remain at 1.5%. The increase in the regulatory fee will fund the hiring and maintaining of 8 additional railroad inspectors (5 federally certified and 3 state).

Section 19 allows the commission employee certified by the federal railroad administration to perform hazardous materials inspection to enter private shippers property, for the purposes of rail car inspection, without an FRA escort. No fiscal impact as these inspections already exist.

Section 21 of the legislation allows first-class cities to optinto the commission crossing inspection safety program. This will result in additional grade crossing inspections each year, increasing the agency's grade crossing inspection workload and requiring a partial state inspector (0.8 FTE already accounted for in the 3 state positions listed in section 18).

Section 22 of the legislation requires the commission to adopt rules governing private grade crossings along the railroad routes over which crude oil is transported and gives the commission inspection authority. The increased inspections will require additional staff to perform (1.2 FTE's already accounted for in the 3 state positions listed in section 18). Section 22 will require a complex rulemaking.

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.

Increase in intrastate gross operating revenue to 2.5%

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 10 – Requires the commission to collect financial information, relating to a railroads ability to pay damages in the event of a spill or accident, from railroads that haul crude oil in Washington. Section 10 will require a simple rulemaking. A consultant may be needed to assess adequate parameteres to address the ability to pay for a spill or accident criteria. A workshop will be needed for stakeholders.

Section 18 allows the commission to assess a regulatory fee on railroads operating in the state of 2.5% of gross intrastate operating revenue. Class 3 railroads that do not move crude oil will be exempt from the fee increase and remain at 1.5%. The increase in the regulatory fee will fund the hiring and maintaining of 8 additional railroad inspectors (5 federally certified and 3 state).

Section 19 allows the commission employee certified by the federal railroad administration to perform hazardous materials inspection to enter private shippers property, for the purposes of rail car inspection, without an FRA escort. No fiscal impact as these inspections already exist.

Section 21 of the legislation allows first-class cities to optinto the commission crossing inspection safety program. This will result in additional grade crossing inspections each year, increasing the agency's grade crossing inspection workload and requiring a partial state inspector. This will result in approximately 167 additional grade crossing inspections each year and additional administrative work needed on petitions (0.8 FTE already accounted for in the 3 state positions listed in section 18).

Section 22 of the legislation requires the commission to adopt rules governing private grade crossings along the railroad routes over which crude oil is transported and gives the commission inspection authority. The increased inspections will require additional staff to perform (1.2 FTE's already accounted for in the 3 state positions listed in section 18). There will be approximately 350 additional inspections requiring an increase in state inspection workload. Section 22 will require a complex rulemaking.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	9.3	8.0	8.7	8.0	8.0
A-Salaries and Wages	718,670	614,880	1,333,550	1,229,760	1,229,760
B-Employee Benefits	189,362	164,452	353,814	328,904	328,904
C-Professional Service Contracts	150,000		150,000		
E-Goods and Other Services	123,209	12,000	135,209	24,000	24,000
G-Travel	161,556	158,448	320,004	316,896	316,896
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	278,405	278,406	556,811	556,812	556,812
9-					
Total:	$1,621,202	$1,228,186	$2,849,388	$2,456,372	$2,456,372

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 2016	FY 2017	2015-17	2017-19	2019-21
Administrative Law Judge	98,328	0.2		0.1		
Assist. Director, Trans. & Safety	95,168	0.2		0.1		
Compliance Mgr, Trans & Safety	74,365	0.0		0.0		
Consumer Prog. Spec. 3	55,836	0.3		0.2		
Director, Trans. And Safety	100,636	0.1		0.0		
Legal Secretary 1	39,516	0.1		0.0		
Paralegal 1	53,148	0.1		0.0		
Rail Carrier Compliance Sp-Federal	78,584	5.0	5.0	5.0	5.0	5.0
Rail Carrier Compliance Sp-State	78,584	3.1	3.0	3.1	3.0	3.0
Senior Policy Strategist	109,454	0.1		0.1		
Trans. & Safety Policy Analyst.	72,000	0.2		0.1		
Total FTE's	855,619	9.3	8.0	8.7	8.0	8.0

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.

Sections 10, 18, 21 and 22 requires a rulemaking.

Individual State Agency Fiscal Note

Bill Number: 1449 E S HB AMS ERIC S3163.1	Title: Oil transportation safety	Agency: 245-Military Department

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	10.0	10.0	10.0	10.0	10.0
Account					
General Fund-State 001-1	0	0	0	0	2,428,500
Oil Spill Prevention Account-State 217-1	1,272,850	1,214,250	2,487,100	2,428,500	0
Total $	1,272,850	1,214,250	2,487,100	2,428,500	2,428,500

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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

Check applicable boxes and follow corresponding instructions:

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

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

☐ Capital budget impact, complete Part IV.

☒ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/28/2015
Agency Preparation: John Ufford	Phone: (253) 512-7052	Date: 05/07/2015
Agency Approval: Bret Daugherty	Phone: (253) 512-8201	Date: 05/07/2015
OFM Review: Regan Hesse	Phone: (360) 902-0650	Date: 05/07/2015

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.

Currently, Local Emergency Planning Committees (LEPCs) throughout the state are required by federal statute to develop Hazardous Materials Plans that meet nine minimum federal planning requirements. LEPCs are required to send updated plans to the State Emergency Response Commission (SERC) for review, but the SERC has no formal authority to enforce LEPC compliance with the planning requirements. Only one of the 42 LEPC plans in the state meets all nine federal requirements.

Section 17 of this bill would require the LEPC to annually review their plans for changed conditions and for the SERC to review LEPC emergency plans for compliance with the nine federal requirements and provisions described in WAC 118-40 at least every five years. It permits, but does not require, the department to employ staff to assist LEPCs in the development and annual review of these emergency response plans, and requires the Military Department to report on the LEPCs progress towards compliance with the planning requirements on March 1, 2018.

Section 7 of the bill allows the expenditure of oil spill prevention account funds, subject to amounts appropriated specifically for the purpose of development and annual review of LEPC plans through June 30, 2019. Current planning assumption would be the use of General Fund State funds to continue LEPC planning support after that date.

This fiscal note assumes that the Military Department will hire enough staff to work with the LEPCs throughout the state with the goal of achieving 100% compliant plans by the reporting date of March 1, 2018 in support of the SERC.

Addition of requirement in statute for LEPCs to meet the 9 minimum federal planning requirements will require 41 of 42 plans to be updated.

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

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 a result of Section 17 of the proposed legislation, funds support 10 FTE, 1 State Hazardous Material Planning Supervisor and 9 Local Jurisdiction Hazardous Material Program Managers. Each program manager would be assigned to one of nine geographical regions, with the Planning Supervisor providing program guidance and program quality control for the updated Hazardous Material Plans. This program advances the quality and currency of hazardous material response plans in support of Local Emergency Planning Committees compliance with federal law. Increased risk from Bakken oil trains transiting Washington communities require an increased level of compliance with the federal requirements in order to reduce statewide risk and improve risk management. Local communities lack resources dedicated to this activity resulting in the proposal to place nine state government subject matter experts into geographical regions to facilitate Hazardous Material plan development in local jurisdictions and increase compliance with federal planning directives. The nine selected geographical regions are aligned with the counties in each of the Homeland Security regions as these communities already work with each other for homeland security and other emergency management issues. The nature and complexity of the hazardous material problem varies from region to region with the urban regions having more hazardous material sites and the rural regions having more counties. Each planner may experience above normal travel costs to hazardous material sites and for coordination with each LEPCs in the region when providing planning assistance. Depending on the complexity of the hazardous material planning requirements, each planner should be able to assist 3 to 4 LEPCs annually.

When Congress passed PL99-499 it laid an unfunded mandate on local jurisdictions for hazardous material planning. Only one of 42 local emergency planning committee (LEPC) hazardous material plans in the state meets all nine minimum planning requirements. Five meet 7 or 8 of the requirements, 10 meet 4 to 6 of the requirements with the remaining 26 meeting 3 or fewer planning requirements. Implementation of the program of assistance to LEPCs should result in all 42 LEPCs meeting minimum planning requirements in approximately three years. Each planner should focus on those LEPCs that have Bakken crude oil transit their communities first in order to reduce risk.

Due to the uncertainty of the evolving nature of the Bakken oil hazard (anticipated to grow with additional facilities in the Vancouver and Grays Harbor area) and the constant dynamic change in hazardous material usage across the state and the requirement for update to plans every five years, LEPCs will continue to need to receive assistance beyond the initial development of plans that meet the minimum planning requirements in order to maintain compliance.

Cost estimates are based on Salaries for 1 EMPS Range (60) and 9 EMPS 3 (Range 58), benefits calculated at 35% of the base salary. Goods and Services are calculated at approximately $180 per month per employee. Travel costs estimated using Government Vehicles rates charged by DES of $10 per day and $.30 cents a mile for 7 vehicles (for personnel not assigned to Camp Murray as a base of operations) and the estimated mileage for coordination with local jurisdictions. Interagency charges are calculated at the standard rate for the Military Department. Personnel assigned to locations other than Camp Murray will use office space located in a nearby National Guard armory at no charge to state government.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	10.0	10.0	10.0	10.0	10.0
A-Salaries and Wages	672,750	672,750	1,345,500	1,345,500	1,345,500
B-Employee Benefits	235,400	235,400	470,800	470,800	470,800
C-Professional Service Contracts					
E-Goods and Other Services	77,000	22,000	99,000	44,000	44,000
G-Travel	126,000	126,000	252,000	252,000	252,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	166,700	158,100	324,800	316,200	316,200
9-					
Total:	$1,277,850	$1,214,250	$2,492,100	$2,428,500	$2,428,500

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 2016	FY 2017	2015-17	2017-19	2019-21
Hazardous Material Program	69,750	1.0	1.0	1.0	1.0	1.0
Supervisor Hazardous Materials Program	67,000	9.0	9.0	9.0	9.0	9.0
Manager **Total FTE's**	136,750	10.0	10.0	10.0	10.0	10.0

Part IV: Capital Budget Impact

NONE

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.

Section 17 paragraph 3 of the proposed bill will require an update to WAC 118-40 to comply with newly proposed provisions of RCW 38.52.040. The majority of the update is focused on updating instructions concerning the method of compliance with the federal planning requirements for hazardous material response plans. These requirements as stated in Public Law 99-499 are:

Each emergency plan shall include (but is not limited to) each of the following:

(1.) Identification of facilities subject to the requirements of this subchapter that are within the emergency planning district, identification of routes likely to be used for the transportation of substances on the list of extremely hazardous substances referred to in section 11002 (a) of this title, and identification of additional facilities contributing or subjected to additional risk due to their proximity to facilities subject to the requirements of this subchapter, such as hospitals or natural gas facilities.

(2.) Methods and procedures to be followed by facility owners and operators and local emergency and medical personnel to respond to any release of such substances.

(3.) Designation of a community emergency coordinator and facility emergency coordinators, who shall make determinations necessary to implement the plan.

(4.) Procedures providing reliable, effective, and timely notification by the facility emergency coordinators and the community emergency coordinator to persons designated in the emergency plan, and to the public, that a release has occurred (consistent with the emergency notification requirements of section 11004 of this title).

(5.) Methods for determining the occurrence of a release, and the area or population likely to be affected by such release.

(6.) A description of emergency equipment and facilities in the community and at each facility in the community subject to the requirements of this subchapter, and an identification of the persons responsible for such equipment and facilities.

(7.) Evacuation plans, including provisions for a precautionary evacuation and alternative traffic routes.

(8.) Training programs, including schedules for training of local emergency response and medical personnel.

(9.) Methods and schedules for exercising the emergency plan.

Increased risk from Bakken oil trains transiting Washington communities require an increased level of compliance with the federal requirements in order to improve statewide risk management. Local communities lack resources to dedicate to this activity resulting in the proposal to place nine state government subject matter experts into geographical regions to facilitate Hazardous Material plan development in local jurisdictions. When Congress passed PL99-499 it did lay an unfunded mandate on local jurisdictions for hazardous material planning.

Individual State Agency Fiscal Note

Bill Number: 1449 E S HB AMS ERIC S3163.1	**Title:** Oil transportation safety	**Agency:** 461-Department of Ecology

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	15.1	11.6	13.4	8.6	8.4
Account					
State Toxics Control Account-State 173-1	292,000	292,000	584,000	584,000	584,000
Local Toxics Control Account-State 174-1	2,000,000	2,000,000	4,000,000	4,000,000	4,000,000
Oil Spill Prevention Account-State 217-1	1,505,029	1,006,419	2,511,448	1,423,374	1,305,076
Total $	3,797,029	3,298,419	7,095,448	6,007,374	5,889,076

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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

Check applicable boxes and follow corresponding instructions:

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

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

☐ Capital budget impact, complete Part IV.

☒ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/28/2015
Agency Preparation: Robert Dengel	Phone: 360-407-6905	Date: 05/07/2015
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 05/07/2015
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 05/08/2015

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.

1449 ESHB AMS ERIC S3163.1 would make the following significant changes to ESHB 1449 AMS Engrossed S3087.E:

- Section 5 would extend contingency planning to railroads transporting oil in bulk.
- Section 6 would allow Oil Spill Response Account (OSRA) funds to be used to respond in all waters of the state to spills and imminent threats of spills. The section would also lower the threshold for use of the account from a $50,000 spill event to a $1,000 spill event.
- Section 29 would transfer $2.225 million from the OSRA into the Oil Spill Prevention Account for the 2015-17 biennium.
- Section 8 would add biennial pipeline reporting requirements.
- Section 25 would direct Ecology to undertake geographic response planning.

This bill would provide Ecology, the Utilities and Transportation Commission (UTC), the Emergency Management Division (EMD), first responders, and local communities additional policies and procedures to address transportation of oil through the waters and inland areas of Washington State. Specifically:

Section 1: Chapter 90.56 RCW governs oil and hazardous substance spill prevention and response. RCW 90.56.005 provides the legislative declaration for the importance of prevention and preparedness to protect Washington waters from oil spills. Section 1 would update this declaration to include information about the changing oil transportation picture and the new threats of spills from oil transported by rail and pipeline. Section 1 would also add as a purpose of the chapter to "… maintain the best achievable protection that can be obtained…." This would have no fiscal impact to Ecology.

Sections 2, 3, and 9 would modify RCW 88.46.010, RCW 90.56.010 and RCW 88.40.011 to 1) update the definition of "facility" to include railroads not owned by the state that transport oil as cargo for the purposes of oil spill contingency planning; 2) update the state's definition of "oil" to ensure state oil pollution laws cover all oils handled in the state; and 3) add a definition of "crude oil." This would have no fiscal impact to Ecology.

Section 4: RCW 90.56.200 currently gives Ecology authority to require facilities to submit prevention plans. Section 4 would ensure that prevention planning doesn't apply to rail while transporting oil over rail lines. This would have no fiscal impact to Ecology.

Section 5: RCW 90.56.210 currently gives Ecology authority to require that facilities submit oil spill contingency plans. Section 5 would extend this contingency planning authority to railroads transporting oil in bulk. This section would allow railroads to submit federal oil spill response plans in lieu of contingency plans until state regulations were developed.

Section 6 : RCW 90.56.500 currently determines how funds collected in the Oil Spill Response Account (OSRA) can be spent, limiting the use of the fund to responses costing more than $50,000. Section 6 would extend account funds to be used to respond to a spill or the threat of a spill in any waters of the state. It would also provide Ecology access to the Oil Spill Response Account for costs associated with response actions exceeding $1,000. The costs are currently paid by other accounts, chiefly the State Toxics Control Account (STCA). This section would allow, but not require, these expenditures from OSRA. This would have no fiscal impact to

Ecology.

Section 7: RCW 90.56.510 currently determines how funds collected in the Oil Spill Prevention Account (OSPA) can be spent. Section 7 would give EMD access to the Oil Spill Prevention Account until June 30, 2019, to fund development and annual review of local emergency planning committee emergency response plans as described in RCW 38.52.040(3) of Section 17.

Section 7 would also give Ecology the authority to recover from responsible parties the costs of oil spill response to OSPA. Ecology currently has authority to recover costs paid by other accounts, so the net effect is the same. This would have no net fiscal impact to Ecology.

Sections 8 and 24: Section 8 would add a new section to Chapter 90.56 RCW requiring all facilities, including railroads, to submit weekly advanced notice of transfers of crude oil. Pipelines carrying crude oil would be required to provide biannual reporting. Notices and reports would have to include the time, location, region per bill of lading, volume, and gravity of oil received. Pipeline reports would have to include the volume of oil and the state or province of origin of the oil. Ecology would be required to aggregate reported information on a statewide basis by route, by week, and place of origin of crude oil, and to publish quarterly reports. Under section 24(23), non-aggregated information that is proprietary, commercial, or financial would be exempt from public disclosure; however, Ecology could provide the information to state emergency managers and local governments.

Section 10 would require railroad companies to provide information on the company's ability to pay for a spill or accident in their annual report to the UTC. The information would include a statement for the railroad companies on whether they have ability to pay for damages from a reasonable worst case spill based on the reasonable per barrel cleanup and damage cost of oil spilled. The UTC would be prohibited from using the information in the reports as a basis for developing economic regulations or issuing penalties against railroad companies. This would have no fiscal impact on Ecology.

Section 11 would direct Ecology to perform a vessel traffic risk assessment for the Columbia River, with a list of specific safety recommendations. A draft assessment would be required to be provided to the Legislature by December 15, 2017, with a final completed by June 30, 2018. The section would expire June 30, 2019. (Please note: the Governor's budget includes $500,000 a biennium from the Oil Spill Prevention Account to fund vessel and rail traffic risk assessments. The Columbia River vessel traffic risk assessment is part of this package. The Governor's budget item is G11, Oil Spill Risk Assessments. The Governor also funded two risk experts in the budget item N8, Reduce Oil Spill Risk, to analyze the changing oil spill risks and to provide directions and guidance for the vessel and rail traffic risk assessments work.)

Section 12 would provide the Pilotage Commission discretionary authority to write rules for Grays Harbor on tug escort requirements and safety measures, where facilities have been permitted. Rulemaking would exclude pilotage requirements. The Pilotage Commission's discretionary rulemaking for a given water body would be conditioned on a facility being permitted, or approved by the Energy Facility Site Evaluation Council. This would have no direct fiscal impact on Ecology; however, any such rulemaking would likely rely upon the result of vessel and rail traffic risk assessments. The costs for this section are indeterminate because it's unknown whether the new facilities will be sited, or whether there will be a change to an existing facility, to receive crude oil. (As noted above, the Governor's budget includes funding for vessel and rail traffic risk assessments and risk experts.)

Sections 13 through 16: Chapter 82.23B RCW governs the oil spill response tax and the oil spill administration tax. Currently, under RCW 82.23B.010, the oil spill response and administration taxes apply to oil transferred from an oil tanker or oil barge to a shore-side facility. These taxes are assessed on the first possession of crude oil and refined petroleum products transported into the state. Sections 13 through 16 would expand the oil spill response and administration taxes to "bulk oil terminals" that transfer crude oil from a rail tank car. Any crude oil received and taxed that was subsequently exported would result in a full tax credit to the payer. This expansion of the tax would be effective July 1, 2015, per section 28.

Section 17: Chapter 38.52 RCW governs emergency management. RCW 38.52.040 currently requires Local Emergency Planning Committees (LEPCs) to submit hazardous materials response plans to the State Emergency Response Commission every four years. Section 17 would require LEPCs to develop and submit plans for review when they were updated but not less than once every five years, with a focus on those communities where oil trains travel. This would have no fiscal impact to Ecology.

Sections 18 through 22 would apply to the Utilities and Transportation Commission, and would have no fiscal impact on Ecology.

Section 23: Chapter 88.46 RCW governs vessel oil spill prevention and response. RCW 88.46.180 requires a best achievable protection and best achievable technology planning standard for vessels operating in Washington waters. Section 23 would remove the December 31, 2012, update requirement. This would have no fiscal impact to Ecology.

Section 25 would require that Ecology provide to the legislature: 1) a review of all state and federal contingency plans by December 31, 2015, followed by biennial updates each December from 2016 through 2021 on progress made in completing contingency plans that Ecology continues to work on under current law. 2) Ecology would be required to contract with third parties as practicable to ensure completion of 50% of the geographic response plans (GRPs) by December 1, 2017. Ecology assumes it would be necessary to continue working after that date to complete the remaining plans, then update those plans, as required under current law for existing contingency plans.

Section 26 would require Ecology to give grants to emergency response organizations for assistance with oil spill and hazardous materials response, and with firefighting equipment. Ecology would also provide training to these organizations and maintenance for their equipment caches.

Section 27 would direct the Senate Energy, Environment, and Telecommunications Committee and the House of Representatives Environment Committee to hold at least one joint meeting with affected US and Canadian parties to discuss oil spill prevention and response activities for international crude oil transport.

Section 28 would make July 1, 2015, the effective date for the expansion of the oil spill response and administration taxes per sections 13 through 16.

Section 29 would direct the State Treasurer to transfer $2.225 million from the OSRA into the Oil Spill Prevention Account (OSPA) by July 31, 2015.

Sections 11, 17, 25 and 26 would be conditioned on the availability of appropriations for their specific purposes. These provisions include: a vessel traffic risk assessment; local emergency planning; review and completion of geographic response plans; and equipment and resource grants to emergency responders. There would be no changes in estimated expenditures as a result of the provisions being conditioned.

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.

Cash receipts from Sections 19 - 22 would be collected by the Department of Revenue. The fees in Section 24 would be collected by the Utilities and Transportation Commission. Please also refer to the attached fund balance sheet.

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 5 would give Ecology rulemaking authority to require railroads transporting oil in bulk to submit oil spill contingency plans. This section would allow railroads to submit federal oil spill response plans in lieu of contingency plans until state regulations were developed.

Ecology estimates it would will take one full-time Environmental Planner 4 (1 FTE) and one full-time Environmental Planner 3 (1 FTE) from July 1, 2015, to June 30, 2017, to initiate and manage the rulemaking process for requirements in Section 5. It would also require one full-time Economic Analyst 3 from January 1, 2016, to March 31, 2016, (0.25 FTE) to provide a small business impact statement. Based on consultation with the Attorney General's Office, Ecology estimates that AAG support needed would be 0.30 AAG FTE and 0.20 LA FTE from July 1, 2015, to June 30, 2016; and 0.20 AAG FTE and 0.10 LA FTE from July 1, 2016, to June 30, 2017. Based on previous rulemaking processes, Ecology estimates this section would also require a $100,000 contract for services from July 1, 2015, to June 30, 2016, to provide cost benefit studies.

Ecology estimates it would take one full-time Environmental Planner 4 (1 FTE) and one full-time Environmental Planner 3 (1 FTE) per FY from July 1, 2016, ongoing to review contingency plans and administer the associated drill program.

Section 5 Summary:
FY 16: 2.25 FTEs; 0.3 AAG FTE; 0.2 LA; $100,000 contract.
FY 17: 2.0 FTEs; 0.2 AAG FTE; 0.1 LA FTE.
FY 18 and on-going: 2.0 FTEs per FY.

Sections 8 and 24: Advanced Notice
Section 8 would add a new section to Chapter 90.56 RCW requiring all facilities, including railroads, to submit weekly advanced notice of transfers of crude oil. Pipelines carrying crude oil would be required to provide biannual reporting. Ecology would be required to aggregate reported information on a statewide basis by route, by week, and place of origin of crude oil, and to publish quarterly reports. Under section 24 (23), non-aggregated information that is proprietary, commercial, or financial would be exempt from public disclosure; however, Ecology could provide the information to state emergency managers and local governments.

Ecology assumes that it would be expected to provide the information to local governments and emergency managers since the information is essential for emergency planning and response to an oil rail spill. Ecology would need to modify existing data bases to aggregate the information and develop automated reports to provide the information to emergency managers and local governments.

Ecology estimates it would take one full-time Information Technology Specialist 5 from July 1, 2015, to March 30, 2016, (0.75 FTE) and one full-time Marine Transportation Safety Specialist 3 from July 1, 2015, to March 30, 2016, (0.75 FTE) to update the Advance Notice of Transfer System (ANT) and Spills Program Integrated Information System (SPIIS). These updates would be needed to accommodate the additional data and develop reports that would be sent to emergency managers and local governments. Ecology estimates it would take one-tenth Information Technology Specialist 5 annually (0.1 FTE) to administer the reports from the ANT and SPIIS for local emergency managers and responders, and to provide assistance accordingly.

Ecology estimates it would take one full-time Environmental Planner 4 (1 FTE) from July 1, 2015, to June 30, 2016, to initiate and manage the rulemaking process for requirements in Section 8. It would also require one full-time Economic Analyst 3 from January 1, 2016, to March 31, 2016, (0.25 FTE) to provide a small business impact statement. Based on consultation with the Attorney General's Office, Ecology estimates that no additional AAG support would be needed for this rulemaking.

Sections 8 and 24 Summary:
FY 16: 2.85 FTEs.
FY 17 and on-going: 0.1 FTE.

Section 11 would direct Ecology to perform a vessel traffic risk assessment (VTRA) for the Columbia River, with a list of specific safety recommendations. A draft assessment would be required to be provided to the Legislature by December 15, 2017, with a final completed no later than June 30, 2018.

Based on Ecology's experience with the Marine and Rail Transportation Study and previous vessel traffic risk assessments, Ecology estimates that from July 1, 2015, to June 30, 2017, it would take one part time Marine Transportation Safety Specialist 3 (0.5 FTE per FY) and a part time Environmental Engineer 5 (0.5 FTE per FY) to provide guidance and direction for a contractor to develop the VTRA. The Marine Transportation Safety Specialist 3 would analyze vessel traffic information, while the Environmental Engineer 5 would analyze the amount of new oil being transferred onto vessels as a result of rail traffic. In order to finalize the VTRA and support contractor assessment updates in FY 18, Ecology estimates a part time Marine Transportation Safety Specialist 3 (0.25 FTE) and a part time Environmental Engineer 5 (0.25 FTE) would be required.

In order to keep the assessment updated to reflect current vessel traffic, Ecology estimates ongoing staffing of a part time Marine Transportation Safety Specialist 3 (0.1 FTE) and a part time Environmental Engineer 5 (0.1 FTE), starting in FY 19 and ongoing.

Based on Ecology's experience with the Marine Rail and Transportation Study and previous vessel traffic risk assessments, Ecology estimates a contractor would cost $200,000 for each fiscal year from July 1, 2015, to June 30, 2017, to develop the Columbia River VTRA. Ongoing contractor costs are estimated to be $40,000 each year beginning in FY 18 to maintain currency of the assessment.

(Please note: these estimates for VTRA contract costs are similar to those made for the Governor’s budget item G-11, which were $250,000 per fiscal year. We had proposed doing the Grays Harbor VTRA and rail traffic risk assessment in the first biennium, and the Columbia River VTRA and the Puget Sound VTRA update in the second biennium. These estimates were based on undertaking multiple risk assessments at one time, thus providing economies of scale. In addition, the Columbia River VTRA appears to be a more complex and costly risk assessment than Grays Harbor or an update to the Puget Sound due to unique features specific to the Columbia River. The unique features include a narrow channel, high volume cross vessel traffic, multiple bridges and a treacherous bar.)

Section 11 summary:
FY 16 and FY 17: $200,000 contract each year; 0.5 FTE MTSS3 and 0.5 FTE EE5 each year
FY 18: $40,000 contract; 0.25 FTE MTSS3 and 0.25 FTE EE5
FY 19 and ongoing: $40,000 contract each year; 0.1 FTE MTSS3 and 0.1 FTE EE5 each year

Section 25(1): In order to provide to the legislature a review of all state and federal contingency plans, and to provide annual updates each December from 2016 to 2021 on progress made in completing contingency plans, Ecology estimates that the review and annual updates on contingency plans and GRPs would be completed with existing Ecology resources. Ecology prepares annual updates to the legislature on spill prevention and preparedness activities under current law. This review would not increase that annual workload, so no existing activities would have to be displaced.

Section 25(2): In order to complete 50% of GRPs by December 1, 2017, Ecology estimates that contractor support at $75,000 per year plus three full time Environmental Planner 3's would be required, beginning in July 1, 2015. Ecology assumes it would continue contracting and working at that pace, to complete the remaining GRPs, then begin updating them. Ecology received one-time funding in the 2014 Supplemental Budget for three Environmental Planner 3s (3.0 FTE) to get started on the GRPs, plus $75,000 for a contractor to do the estimated 5,000 site visits to complete GRPs faster. (Please note, the Governor's 2015-17 Biennium Budget includes a request to continue these three positions to work on GRPs, using similar workload estimates, on an ongoing basis. These positions are a part of budget item N8, titled "Reduce Oil Spill Risk-Rail/Vessel.")

Section 25 Summary:
FY 2016 to FY 2020: $75,000/year contracts
FY 2016 and ongoing: 3.0 FTEs Environmental Planner 3 per FY

Section 26 would require Ecology to give grants to emergency response organizations for assistance with oil spill and hazardous materials response, and for firefighting equipment and training to meet the requirements of the legislation.

The Governor's 2015-17 Biennium Budget includes a request for the Oil Spill Response Equipment Grants Program, budget item N7. Ecology's expenditures assumptions for the emergency response grants program in section 26 are consistent with that request.

Ecology assumes that any disbursement of funds under the grant program would begin July 1, 2015, and be ongoing. Ecology estimates that $1,731,000 in equipment grants would be disbursed each year for the first two years and $2,000,000 in grants would be disbursed each year after that to various locations throughout Washington State for oil spill response equipment. Ecology assumes that ongoing training would be required after the grant funds were disbursed. Based on experience with the Spill Response Equipment Cache program, Ecology estimates two Environmental Specialist 3s (2 FTEs) ongoing beginning July 1, 2015, to set up the grant program, distribute the grants, and provide ongoing training and maintenance support for the local emergency response organizations. Ecology estimates that $35,000 a year would be required for maintenance of oil spill cache trailers and $75,000 a year for vehicles to deliver equipment trailers and supporting equipment. These vehicles would also have response capabilities to supplement the existing hazardous materials spill response capability around the state.

Ecology estimates it would take two Environmental Planner 4s (2.0 FTES per FY) from July 1, 2015, to June 30, 2017, to complete rulemaking for the grant program. Based on consultation with the Attorney General's Office, Ecology estimates 0.2 FTE per FY Assistant Attorney General support from July 1, 2015, to June 30, 2017, for rule development and grant contract legal review. Grant and rulemaking expenditures are assumed to be Local Toxics Control Account costs, and to total $2,000,000 per year, except that grant management staff in FY 2018 and ongoing would be funded from the State Toxics Control Account.

Section 26 Summary:
FY 2016 and on-going: $110,000/year maintenance and training goods and services.
FY 2016 and FY 2017: 2.0 FTEs per FY Environmental Planner 4s and 2.0 FTEs per FY Environmental Specialist 3s; 0.2 AAG FTE; and $1,731,000 per FY in equipment grants.
FY 2018 and on-going: 2.0 Environmental Specialist 3s per FY and $2,000,000 per FY in equipment grants.

Notes on costs by object:

Salary estimates are current actual rates at step H, the agency average for new hires.

Benefits are the agency average of 33.0% of salaries.

Personal service contracts include $100,000 in FY 16 to provide cost benefit studies and analyses for Section 5. Section 11 would require a $200,000 contract each year in FY 16 and FY 17, and $40,000 ongoing starting in FY 18. Also, $75,000 in contracts is included each year through FY 20 to assist with site visits for GRPs in Section 25.

Goods and Services are the agency average of $5,709 per direct program FTE. Also included are 0.5 AAG and 0.2 LA support in FY 16 and 0.4 AAG and 0.1 LA support in FY 17 for Sections 5 and 26. These costs are based on consultation with the Attorney General's Office: $101,452 in FY 16 and $81,162 in FY 17. In addition, $110,000 per year for maintenance of existing oil spill response caches and for a response vehicle to deliver equipment trailers and supporting equipment as required in Section 26 is included.

Travel is the agency average of $1,394 per direct program FTE.

Equipment is the agency average of $1,131 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 32.75% of direct program salaries and benefits, and is shown as object 9. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT Specialist 2.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	15.1	11.6	13.4	8.6	8.4
A-Salaries and Wages	776,917	576,634	1,353,551	812,589	789,466
B-Employee Benefits	256,383	190,290	446,673	268,155	260,524
C-Personal Service Contracts	175,000	75,000	250,000	150,000	75,000
E-Goods and Services	486,241	448,824	935,065	385,064	383,352
G-Travel	18,263	14,079	32,342	20,770	20,350
J-Capital Outlays	14,817	11,424	26,241	16,852	16,512
N-Grants, Benefits and Client Services	1,731,000	1,731,000	3,462,000	4,000,000	4,000,000
P-Debt Service					
S-Interagency Reimbursements					
9-Agency Administrative Overhead	338,408	251,168	589,576	353,944	343,872
Total:	$3,797,029	$3,298,419	$7,095,448	$6,007,374	$5,889,076

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 2016	FY 2017	2015-17	2017-19	2019-21
ECONOMIC ANALYST 3	63,192	0.5		0.3		
ENVIRONMENTAL ENGINEER 5	80,892	0.5	0.5	0.5	0.2	0.1
ENVIRONMENTAL PLANNER 3	54,504	4.0	4.0	4.0	4.0	4.0
ENVIRONMENTAL PLANNER 4	60,120	4.0	3.0	3.5	1.0	1.0
ENVIRONMENTAL SPECIALIST 3	47,016	2.0	2.0	2.0	2.0	2.0
FISCAL ANALYST 2		1.3	1.0	1.2	0.8	0.7
IT SPECIALIST 2		0.7	0.5	0.6	0.4	0.4
IT SPECIALIST 5	71,496	0.9	0.1	0.5	0.1	0.1
MARINE TR SAFETY SPEC 3	73,260	1.3	0.5	0.9	0.2	0.1
Total FTE's	450,480	15.1	11.6	13.4	8.6	8.4

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.

Section 5 would require rulemaking to determine contingency planning standards for railroads carrying oil.

Section 8 would require rulemaking to implement the new reporting requirements for railroads and pipelines.

Section 12 would require the Pilotage Commission, not Ecology, to conduct this rulemaking.

Section 26 would require rulemaking to develop a cache equipment grant program.

Table 1: ESHB 1449 AMS ERIC S3163.1 Impacts on OSPA Fund Balance

Oil Spill Prevention Account (OSPA) Fund Balance Summary			
	2015-17	**2017-19**	**2019-21**
Revenue			
Beginning Balance (1)	1,361,000	(1,745,000)	(5,854,000)
February 2015 DOR Revenue Forecast	4,680,000	3,680,000	2,920,000
ESHB 1449 AMS ERIC S3163.1 Revenue Changes	3,966,000	2,800,000	3,560,000
TOTAL Revenue	**10,007,000**	**4,735,000**	**626,000**
Expenditures			
Base Program Expenditures (2)	6,683,000	6,683,000	6,683,000
ESHB 1449 AMS ERIC S3163.1 Expenditures for ECY, DFW, and EMD	5,069,000	3,906,000	1,342,000
TOTAL Expenditures	11,752,000	10,589,000	8,025,000
Estimated Ending Balance	**$ (1,745,000)**	**$ (5,854,000)**	**$ (7,399,000)**

Notes:
(1) Working Capital Reserve ($2 M) has been subtracted from 2015-17 beginning balance.
(2) Base program expenditures includes Carry Forward Level= Ecology $5.755 million, Department of Fish and Wildlife $928,000.

Individual State Agency Fiscal Note

Bill Number: 1449 E S HB AMS ERIC S3163.1	Title: Oil transportation safety	Agency: 468-Environmental & Land Use Hearings

Part I: Estimates

☒ **No Fiscal Impact**

This bill was identified as a proposal governed by the requirements of RCW 43 .135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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

Check applicable boxes and follow corresponding instructions:

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

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

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:		Phone:	Date: 04/28/2015
Agency Preparation:	Joan Marchioro	Phone: 360 664-9171	Date: 04/28/2015
Agency Approval:	Joan Marchioro	Phone: 360 664-9171	Date: 04/28/2015
OFM Review:	Linda Steinmann	Phone: 360-902-0573	Date: 04/28/2015

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.

1449 ES HB AMS ERIC S3163.1 amends existing statutes governing oil spill prevention and response expanding the term "facility" to include railroads that transport oil as bulk cargo. The bill directs the Department of Ecology to develop rules governing the requirements of contingency plans for containment and cleanup of oil spills for railroads transporting bulk oil in the state. The bill requires railroads to include in their annual report submitted to the Washington Utilities and Transportation Commission (UTC) a demonstration of the ability to pay for a reasonable worst case oil spill. The bill updates the statutory definition of "oil" in those statutes to provide coverage for all oils handled in the state. The bill amends existing statutes governing the oil spill response tax by adding a definition of bulk oil terminal and tank car, and extending the oil spill response tax statute to levy a tax on the receipt of crude oil at a bulk oil terminal. The bill adds a section to ch. 90.56 RCW requiring facilities receiving bulk oil from a railroad car to provide Ecology with advance notice of such shipments. The bill requires first-class cities to provide the UTC with a list of all public crossings within the jurisdiction and authorizes UTC to adopt safety standards for private rail crossings.

Ecology is authorized under the Water Pollution Control Act, ch. 90.48 RCW, and the Oil and Hazardous Substance Spill Prevention and Response statute, ch. 90.56 RCW, to issue penalties for the discharge of oil to waters of the state. The Spill Prevention and Response statute also authorizes Ecology to issue civil penalties to a facility operating without a contingency or prevention plan. These penalties are appealable to the Pollution Control Hearings Board (PCHB). The PCHB is a quasi-judicial agency located within the Environmental Hearings Office. The Board believes that there will be few appeals filed as a result of this litigation and is able to absorb these appeals within its current resources.

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.

Part III: Expenditure Detail

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.

Individual State Agency Fiscal Note

Bill Number: 1449 E S HB AMS ERIC S3163.1	Title: Oil transportation safety	Agency: 477-Department of Fish and Wildlife

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.3	0.3	0.3	0.3	0.2
Account					
Oil Spill Prevention Account-State 217-1	35,600	35,600	71,200	54,000	36,800
Total $	35,600	35,600	71,200	54,000	36,800

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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

Check applicable boxes and follow corresponding instructions:

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

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

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/28/2015
Agency Preparation: Kayla Saville	Phone: 360-902-2202	Date: 04/30/2015
Agency Approval: Kayla Saville	Phone: 360-902-2202	Date: 04/30/2015
OFM Review: Heather Matthews	Phone: (360) 902-0543	Date: 05/04/2015

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.

Sections 2(9)(b) and 3(11)(b) expand the definition of "facility" to include railroads that transport oil as bulk cargo. Sections 2(9)(c) and 3(11)(c) exclude any "Railroad car… while transporting oil over the highways or rail lines of this state" from the definition of "facility."

Section 5(3) requires the Department of Ecology (ECY) to develop rules regarding contingency plans for railroads transporting oil in bulk.

Section 6 expands what the oil spill response account pays for, from costs associated with responding to spills in navigable waters to include costs associated with the threat of spills in all state waters. This section also lowers the minimum cost for reimbursement from $50,000 to $1,000.

Section 11 requires ECY to conduct an evaluation and assessment of vessel traffic on the Columbia River and submit a draft report of their findings to the legislature by December 15, 2017. A final evaluation and assessment must be completed by June 30, 2018.

Section 25 requires ECY to provide a review of all state Geographic Response Plans (GRPs) to the legislature by December 31, 2015 with updates every two years thereafter until December 31, 2021. Section 25(2) requires ECY to contract with eligible third parties (if practicable) to ensure completion by December 1, 2017 of at least 50% of GRPs as needed in contingency plans required under RCW 90.56.210 and 88.46.060.

Section 27 requires a joint meeting between certain House and Senate Committees to discuss oil spill prevention and response activities for international transport of liquid bulk crude oil.

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.

Sections 2(9)(b), 3(11)(b) and 5(3):

Current law requires oil transfer facilities to have a contingency plan for containment and cleanup of oil spills. It also requires the Department of Fish and Wildlife (WDFW), and other resource agencies, to assist ECY in preparing information for these facility contingency plans.

With the expanded definition of "facility" and rulemaking requirements in this bill, WDFW assumes there will be an increase in information WDFW will need to provide to ECY to evaluate and approve new contingency plans. Many of the terminals where oil trains are destined are located at, or near, major watercourses such as the Salish Sea and Columbia River. To comply with the proposed provisions, WDFW will require an additional 0.17 FTE Fish and Wildlife Biologist 4 starting in FY 2016 and ongoing.

Section 6 expands what the oil spill response account pays for, from costs associated with responding to spills in navigable waters to include costs associated with the threat of spills in all state waters. This section also lowers the minimum cost for reimbursement from $50,000 to $1,000. Because this section allows, but does not require, additional expenditures from the Oil Spill Response account, WDFW does not include any costs in this fiscal note. However, WDFW anticipates that many spills will fall under the new criteria for payment from this account, and that there will be significant, if currently indeterminate, requests for oil spill response account payments.

Section 11 requires ECY to conduct an evaluation and assessment of vessel traffic on the Columbia River and submit a draft report of their findings to the legislature by December 15, 2017. A final evaluation and assessment must be completed by June 30, 2018. WDFW assumes the Columbia River vessel study would involve review and analysis by the WDFW Oil Spill Team, and possibly the WDFW renewable energy section, to identify and evaluate natural resources at risk in the geographic area of interest. WDFW anticipates this would require 0.16 FTE at the Biologist 4 level.

Section 25 requires ECY to provide a review of all state Geographic Response Plans (GRPs) to the legislature by December 31, 2015 with updates every two years thereafter until December 31, 2021. Section 25(2) requires ECY to contract with eligible third parties (if practicable) to ensure completion by December 1, 2017 of at least 50% of GRPs as needed in contingency plans required under RCW 90.56.210 and 88.46.060. WDFW assumes it would be involved in the review of these GRPs, regardless of whether they are developed by ECY or a contractor. This work would be included under the 0.17 FTE Fish and Wildlife Biologist 4 listed above.

Section 27 requires a joint meeting between certain House and Senate Committees to discuss oil spill prevention and response activities for international transport of liquid bulk crude oil. WDFW anticipates the legislative meeting may result in some additional workload but expects to accomplish this with existing resources.

In summary, WDFW anticipates a cost of $26,600 for salaries and benefits per year for FY 2016 through FY 2018 for the 0.33 FTE Fish and Wildlife Biologist 4. With the end of the Columbia River vessel traffic assessment, this drops to 0.17 FTE at $13,700 for salaries and benefits for each fiscal year thereafter.

Goods and services, object E, totals $9,000 per year for FY 2016 through FY 2018 and $4,700 per year thereafter. This includes $5,000 per FTE, per year, for WDFW standard costs, which cover an average employee's supplies, communications, training, and subscription costs per year, as well as central agency costs. Object E also includes an infrastructure and program support rate of 25.76%, and is calculated based on cost estimates for eligible objects each fiscal year.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.3	0.3	0.3	0.3	0.2
A-Salaries and Wages	19,800	19,800	39,600	30,000	20,400
B-Employee Benefits	6,800	6,800	13,600	10,300	7,000
C-Professional Service Contracts					
E-Goods and Other Services	9,000	9,000	18,000	13,700	9,400
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:	$35,600	$35,600	$71,200	$54,000	$36,800

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 2016	FY 2017	2015-17	2017-19	2019-21
Fish and Wildlife Biologist 4	60,120	0.3	0.3	0.3	0.3	0.2
Total FTE's	60,120	0.3	0.3	0.3	0.3	0.2

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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1449 E S HB AMS ERIC S3163.1	**Title:** Oil transportation safety

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

Legislation Impacts:

- [X] Cities: Cities engaged in local emergency planning; first-class cities
- [X] Counties: Counties engaged in local emergency planning
- [X] Special Districts: Port of Grays Harbor; public ports and safety committees on the Columbia River
- [ ] Specific jurisdictions only:
- [ ] Variance occurs due to:

Part II: Estimates

- [ ] No fiscal impacts.
- [X] Expenditures represent one-time costs: First-class cities must provide crossing information to UTC; possible costs associated with applying for grants
- [X] Legislation provides local option: First-class cities may transfer crossing inspection/enforcement to UTC; applying for grants
- [X] Key variables cannot be estimated with certainty at this time: If Pilotage Commission will require tug escorts in Grays Harbor for certain vessels; extent of local government participation in marine traffic and safety assessment

Estimated revenue impacts to:

Jurisdiction	FY 2016	FY 2017	2015-17	2017-19	2019-21
City	1,134,800	1,134,800	2,269,600	2,668,000	2,668,000
County	298,100	298,100	596,200	666,000	666,000
Special District	298,100	298,100	596,200	666,000	666,000
TOTAL $	1,731,000	1,731,000	3,462,000	4,000,000	4,000,000
GRAND TOTAL $					11,462,000

Estimated expenditure impacts to:

Jurisdiction	FY 2016	FY 2017	2015-17	2017-19	2019-21
City	1,198,667	1,198,667	2,397,334	2,795,734	2,731,867
County	314,067	314,067	628,134	697,934	681,967
Special District	314,067	314,067	628,134	697,934	681,967
TOTAL $	1,826,801	1,826,801	3,653,602	4,191,602	4,095,801
GRAND TOTAL $					**11,941,005**

Part III: Preparation and Approval

Fiscal Note Analyst: Sam Wilson	Phone: 360-725-5040	Date: 05/04/2015
Leg. Committee Contact:	Phone:	Date: 04/28/2015
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 05/04/2015
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 05/04/2015

Part IV: Analysis

A. SUMMARY OF BILL

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

CHANGES BETWEEN THE PREVIOUS AND CURRENT BILL VERSIONS:
The changes between this version and the most recent version of this bill (HB 1449 S HB PL) do not alter the impacts on local governments.

SUMMARY OF CURRENT VERSION:
Section 6 allows the Legislature to transfer up to $2,225,000 to the Oil Spill Prevention Account from the Oil Spill Response Account, which may be used until June 30, 2019 for the development and annual review of local emergency planning committee emergency response plans per Section 7.

Section 8 requires Ecology to establish an advance notice system for rail oil transportation. Ecology would share information from oil receiving facilities with local governments and emergency response agencies upon request. Local governments may not disclose this information with the public or nongovernmental entities if it is non-aggregated or is proprietary, commercial, or financial, in nature. Section 24 amends RCW 42.56.270 to add this information to the list of items that are exempt from the Public Records Act.

Section 11 requires Ecology to complete an evaluation and assessment of vessel traffic management and vessel traffic safety within and near the mouth of the Columbia River in consultation with relevant local governments.

Section 12 states that the State Board of Pilotage Commissioners (BPC) may adopt rules to require tug escorts and other safety measures for large oil tankers and certain other vessels within a two-mile radius of the Grays Harbor pilotage district. These rules would be created in consultation with local governments.

Section 17 states that local emergency response plans are subject to review by the state emergency response commission at least once every five years. Military Department-provided staff may assist local planning committees in planning and developing local emergency response plans.

Section 21 would allow first-class cities, which are currently exempt from the UTC’s railroad safety jurisdiction, to opt into the UTC’s grade crossing inspection program. It would require first-class cities to inventory and report all crossings and notify the UTC of any openings, closings or modifications of crossings.

Section 26 requires Ecology to provide grants to emergency responders to assist with incidents related to oil spills and hazardous materials response. The grant may cover firefighting equipment and resources needed to meet the requirements of this legislation.

Section 27 requires several legislative committees to hold at least one joint meeting on oil spill prevention and response activities for international transport of oil. Local government officials may be invited to participate in this meeting.

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.

This legislation would result in a variety of expenditures, some of which can be estimated and other which are indeterminate. This analysis assumes that the scale of the indeterminate impacts is significantly smaller than that of the quantified impacts. Some costs would be incurred during the first year after adoption of this legislation. Costs associated with updating emergency response grants and distributing grants would diminish somewhat in later years.

This legislation would have an indeterminate impact on local government expenditures related to new requirements by the Board of Pilotage Commissioners (BPC), railroad crossing inventory, inspection, and enforcement, reporting and hazardous material plan update requirements for local emergency planning committees, consultation on Ecology's marine traffic and safety assessment, and the grant established by Ecology. Expenses related to the railroad crossings, update requirements for planning organizations, and consultation on the assessment are subject to the availability of amounts appropriated for those purposes.

One of the primary fiscal impacts of this legislation on local governments would be associated with updates to the hazardous management plans of 41 out of 42 Local Emergency Planning Committees (LEPCs). These fiscal impacts are estimated at $479,000 over a five-year period.

Expenditures associated with grant revenue are expected to occur in the same year in which grants are received. For more details, see the discussion of grant revenue in the Revenue Impact section.

There would also be costs incurred by cities, counties, or special districts that assist Ecology in efforts to review existing plans, equipment, and needs. Local jurisdictions would incur expenses assisting the Ecology in reviewing and allocating grants. These costs are indeterminate.

There also would be minor costs incurred by 10 first-class cities required to submit information to the Utilities and Transportation Commission (UTC) on railroad grade crossings. These cities may also see some reduction in expenditures if they elect to transfer their inspection and enforcement efforts at rail crossings to the UTC as authorized by this bill. These costs are indeterminate.

GRANT-ASSOCIATED EXPENDITURES:
Jurisdictions receiving grants would have expenditures of the same magnitude to implement projects, purchase equipment, etc. For the purpose of this local government fiscal note, it is assumed that such expenditures would occur in the same year that funds were awarded. Some jurisdictions would expend money in unsuccessful pursuit of grants. However, the magnitude of these costs cannot be estimated. Additionally, first responder grants are subject to funding availability. Finally, jurisdictions may incur indeterminate ongoing training costs for equipment procured through grants.

In support of the grant program, local first responders would work with the Department of Ecology on a variety of tasks including: evaluating existing hazardous material response and firefighting equipment and resources, determining the need for new resources or equipment, identifying areas or regions which are in the greatest need of resources and equipment, and reviewing and prioritizing grant applications. This effort would require the expenditure of staff time and travel. However, the magnitude of this effort cannot be estimated and is indeterminate. Once the review of resources and establishment of the grant program is completed, ongoing costs are anticipated to decrease significantly.

PILOTAGE REQUIREMENTS:
If the BPC exercises the authority granted by this legislation to extend tug boat safety measure requirements to Grays Harbor, it is possible that the Port of Grays Harbor may realize additional expenditures as it provides pilotage for oil transport vessels and articulated barges in the harbor. There have been several recent years where expenditures by the port in the provision of pilotage services have exceeded tariff revenues. However, the Board of Pilotage Commissioners has recently adjusted the tariffs rates for the port and currently the provision of pilotage service by the port is fiscally neutral. In addition, the port anticipates that it would be able to accurately forecast increases related to oil transportation (currently predicted at up to 300 new vessels per year) and adjust service provision. This would increase expenditures, but the port states that current tariffs would cover these expenditures and in the event that they did not, they would be able to identify and request needed tariff adjustments in order to preclude any revenue shortfalls.

RAILROAD CROSSING INVENTORY, INSPECTION AND ENFORCEMENT:
Section 21 of the bill would allow the 10 first-class cities to opt into UTC grade crossing inspection and enforcement program. UTC estimates this would apply to a maximum of 167 additional grade crossings. Jurisdictions transferring crossing inspection and enforcement to the UTC would likely see a reduction in expenditures. The magnitude of this reduction would depend upon which cities transfer these obligations to the UTC.

This bill would require all first-class cities to submit a list to the UTC of public railroad crossings that includes the United States Department of Transportation inventory number for the crossing within 30 days of this legislation's passage. Additionally, first-class cities must notify the UTC within 30 days of modifying, closing or opening a grade crossing. The amount of expenditures to comply with these requirements would be negligible as this information is already compiled in the United States Department of Transportation Crossing Inventory and by most first-class cities that control crossings.

REPORTING AND UPDATE REQUIREMENTS FOR LOCAL EMERGENCY PLANNING ORGANIZATIONS:
Emergency management planning expenditures by local jurisdictions would be likely to increase upon adoption of this legislation. Currently, only one of 42 local emergency planning committees has met minimum federal standards. This legislation would require LEPCs to submit their current plans for compliance review and update and submit them for review at least once every five years. These requirements would likely instigate those LEPCs that have not yet complied with these requirements to undertake an update that meets the federal standard. Cumulative local costs associated with the update of local hazardous material plans are anticipated to be $479,700 statewide over five years, as described in the paragraph below. These costs are allocated amongst cities, counties, and special districts in a

manner similar to the assumptions for grant awards and expenditures with two-thirds experienced by cities and the remaining one-third split evenly between counties and special districts. Costs to include hazardous materials plans within local comprehensive emergency management are not expected to be significant.

Cumulative local costs associated with the update of local hazardous material plans are anticipated to be $479,700 statewide. LEPC coordinators anticipate cost increases associated with conducting and staffing meetings and engaging in outreach to public works departments, fire districts, police forces, and other similar agencies. For illustrative purposes, several LEPC coordinators estimated a minimum of eight local stakeholders would attend 10 meetings for a period of three hours per meeting. Based upon an average professional pay rate of $30/hour and 41 LEPC updates, these cumulative local costs are estimated at $295,200. In addition LEPC coordinators would have increased workload estimated at a minimum of 15 hours per month for at least 10 months. At an average pay rate of $30/hour, this could increase local expenditures by $184,500. These cumulative costs would total $479,700 or $11,700 per LEPC. This is similar to costs experienced by one LEPC, which contracted an outside provider to update their emergency response plan.

Provisions in the legislation would allow staff from the Military Department to assist LEPCs to support the development of local emergency response plans. The specific amount of assistance has not been established and therefore the exact fiscal impact of these provisions is indeterminate.

Once these plans are adopted, local jurisdictions anticipate that there will be additional costs associated with implementation of these plans. However, the amount and timing of these expenditures cannot be predicted.

In addition, the bill would require a report by March 1, 2018 that would identify additional resources to assist local government emergency planning efforts. The impact of this requirement on local governments cannot be estimated and is indeterminate.

According to the Washington State Emergency Management Association, LEPC expenses for hazardous materials plans are related to a jurisdiction's overall risk. For example, Franklin County is home to one of the largest train switching yards in the state. The expansion of oil transport by rail in Franklin County has increased their hazard profile, which requires additional emergency planning and coordination local fire districts and other emergency management entities (Franklin County Emergency Management).

PARTICIPATION IN VESSEL TRAFFIC AND SAFETY EVALUATION:
Relevant local governments may be required to consult with Ecology during the creation of an evaluation and assessment of vessel traffic and safety, resulting in an indeterminate increase in expenditures for affected local governments. Any expenses would be incurred before June 30, 2017. This effort is expected to include the Ports of Camas-Washougal, Kalama, Longview, Ridgefield, Vancouver, Wahkiakum County No. 1, Wahkiakum County No. 2, and Woodland. It is possible that additional local governments may be consulted.

It is anticipated that senior level staff at local governments would primarily be involved in this effort. The Local Government Fiscal Note program estimates hourly labor and overhead for senior staff at $85/hour, but the amount of time and extent of consultation is not known at this time. These costs would primarily be incurred by ports. The total expenditures incurred by local governments would be higher if other local governments become involved in this effort or organizations have more than one staff member consulted with Ecology.

Harbor safety committees are comprised of mostly private-sector officials, but often include staff from public ports.

LEGISLATIVE JOINT MEETING ON SPILL PREVENTION PARTICIPATION:
Local governments that are invited and choose to send participants to one or more joint legislative meetings on spill prevention would see an indeterminate increase in staff costs. Total expenditures to local governments would be positively correlated with the number of staff members sent and their salary amounts, the length of time spent at the meetings, and the total distance traveled, if they are being reimbursed by their jurisdiction. Assuming the meetings were held in Olympia, each day of Thurston County per diem rate would be $98 for lodging and $61 for food, according to the State Office of Financial Management. If the participants used their personal automobile to travel to and from Seattle, costs would be about $70 per round trip.

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.

RESOURCE AND EQUIPMENT GRANTS:
The Department of Ecology could provide grants for resources and equipment to first responders such as fire, police, and public works departments or districts. There could be $1,731,000 in grants provided during FY 2016 and a similar amount could be distributed in FY 2017. Between FY 2018 and FY 2021, grants could total $2,000,000 per year. First-responder grants are subject to amounts appropriated.

For the purposes of this analysis, two-thirds of this grant money is anticipated to go to cities that provide a broad range of emergency services for 65 percent of the state's population. Emergency services in unincorporated areas and in special districts, such as ports, are provided through county government as well as entities such as emergency medical service districts, regional fire protection districts, and fire protection districts. For the purposes of this analysis, the remaining one-third of total grant money is assumed to be split evenly between county and special districts.

Language regarding the grant in this bill mirrors that of E 2SB 5057 (Section 2). The estimates shown here are taken from Ecology's fiscal note for that bill.

SOURCES:
Benton County LEPC
Chelan-Douglas County LEPC
City of Bellingham Resolution 2014-03
City of Spokane Resolution 2014-0009
Clark County LEPC
Cowlitz County LEPC
Department of Ecology Draft Fiscal Analysis of Oil Transportation Safety Bill Department of Ecology website, Oil Movement Frequently Asked Questions, http://www.ecy.wa.gov/programs/spills/OilMovement/FAQs.html
Department of Ecology Spills Program
Department of Revenue Draft Fiscal Analysis of Oil Transportation Safety Bill
Franklin County Emergency Management
Hearing for 1449 S HB, House Finance Committee, 2/14/2015
King County Emergency Management
Local Government Fiscal Note for E2S SB 5057
Mason County LEPC
Military Department Draft Fiscal Analysis of Oil Transportation Safety Bill
Pacific County LEPC
Port of Grays Harbor
US Department of Transportation National Grade Crossing Inventory, http://www.fra.dot.gov/Page/P0665
Utilities and Transportation Commission
WAC 363-116-185: Pilotage Rates for the Grays Harbor Pilotage District
Washington State Board of Pilotage Commissioners Annual Reports 2006-2011, http://www.pilotage.wa.gov/Pages/AnnualReports.aspx
Washington State Transportation Commission Local meeting Summary May 20, 2014
Washington Public Ports Association
Washington State Board of Pilotage Commissioners
Washington State Department of Ecology Fiscal Note for E 2SB 5057
Washington State Department of Transportation
Washington State Emergency Management Association
Washington State Office of Financial Management Per Diem Website