Multiple Agency Fiscal Note Summary

Bill Number: 1049 E HB	**Title:** Off-site delivery of vehicle

Estimated Cash Receipts

Agency Name	2021-23			2023-25			2025-27		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Licensing	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total $	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Financial Institutions	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Licensing	3.7	0	0	145,000	3.7	0	0	0	3.7	0	0	0
Department of Licensing	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Total $	**3.7**	**0**	**0**	**145,000**	**3.7**	**0**	**0**	**0**	**3.7**	**0**	**0**	**0**

Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Financial Institutions	.0	0	0	.0	0	0	.0	0	0
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Total $	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

Estimated Capital Budget Breakout

Prepared by: Kyle Siefering, OFM	**Phone:** (360) 995-3825	**Date Published:** Final 2/ 8/2021

FNPID: 61788

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 1049 E HB	Title: Off-site delivery of vehicle	Agency: 102-Department of Financial Institutions

Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

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

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Kellee Gunn	Phone: 786-7429	Date: 02/01/2021
Agency Preparation:	Emily Fitzgerald	Phone: (360) 902-8780	Date: 02/03/2021
Agency Approval:	Levi Clemmens	Phone: (360) 902-8818	Date: 02/03/2021
OFM Review:	Ramona Nabors	Phone: (360) 902-0547	Date: 02/07/2021

Part II: Narrative Explanation

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

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

This legislation allows car dealers to deliver vehicles to locations other then their established place of business, as well as allows for the electronic signing of documents and conveyance of disclosures of consumer rights. This bill adds no new responsibilities to the Department of Financial Institutions' regulatory role, and therefore has no fiscal impact.

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

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 1049 E HB	Title: Off-site delivery of vehicle	Agency: 240-Department of Licensing

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

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

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	3.7	3.7	3.7	3.7	3.7
Account					
Motor Vehicle Account-State 108-1	145,000	0	145,000	0	0
Total $	145,000	0	145,000	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

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

☐ Capital budget impact, complete Part IV.

☒ Requires new rule making, complete Part V.

Legislative Contact:	Kellee Gunn	Phone: 786-7429	Date: 02/01/2021
Agency Preparation:	Xia Zhan	Phone: 360 902-0113	Date: 02/04/2021
Agency Approval:	Kristin Bettridge	Phone: 360-902-3644	Date: 02/04/2021
OFM Review:	Kyle Siefering	Phone: (360) 995-3825	Date: 02/08/2021

Part II: Narrative Explanation

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

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

This bill allows vehicle dealers to conduct certain business at locations other than their established place of business (EPOB), as well as provide written statements to consumers that explains the consumer's rights in paper or electronic form.

Sec. 1 – Amends RCW 19.118.031
(2) Adds new language states that the written statement provided to consumers that explains the consumer's rights may be in paper or electronic form.

Sec. 2 – Amends RCW 63.14.040
(2)(e) Clarifies this subsection doesn't apply to a retail installment contract used for the sale of a motor vehicle by a licensed vehicle dealer.

Sec. 3 – Amends RCW 63.14.154
(3) Adds new subsection states the section doesn't apply to a retail installment transaction for the purchase of a motor vehicle.

Sec. 4 – Amends RCW 46.70.023
(1) Adds new language states a vehicle dealer may deliver a vehicle for inspection, test drive, or purchase, and have a customer sign agreements over the internet or at a location other than the vehicle dealer's established place of business or licensed/temporary subagency.

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.

Section 4 allows vehicle dealers to deliver vehicles for test drives or sale to customers off site from their licensed agency or sub-agency locations. This change may lead to some dealers choosing to discontinue some or all of their sub-agency locations, and dealers may find less use for temporary sub-agency licenses. It is unknown how many of these licenses may be discontinued or not issued. Therefore, a decrease to cash receipts impact is indeterminate.

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.

This bill allows vehicle dealers to conduct certain business at locations other than their established place of business. In order to implement this bill, the following resources are needed:

In FY22:
• 1.0 project Management Analyst 3 (MA3) FTE – The MA3 is to provide initial startup support, including any applicable rulemaking, development of business processes and implementation, and organization of stakeholder communication to support Section 4. This resource will provide communication and outreach to over 3,500 licensed Independent and Franchise Dealers. The costs are $145K.

It is unknown many dealers will implement the changes in this bill. Therefore, the costs to conduct investigations are indeterminate. We estimate 1.0-2.0 FTE Investigator 3s would be needed and the costs will range of from $150K to $300K per year. Starting in FY 22 and on-going. Investigator 3's would conduct investigations of assigned cases concerning the following areas:

- o EPOB requirements.
- o On-site follow-up investigations.
- o Relevant Market Area restrictions for franchise dealers.
- o Motor vehicle sub agency lot, use without a license.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
108-1	Motor Vehicle Account	State	145,000	0	145,000	0	0
		Total $	145,000	0	145,000	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	3.7	3.7	3.7	3.7	3.7
A-Salaries and Wages	85,000		85,000		
B-Employee Benefits	33,000		33,000		
C-Professional Service Contracts					
E-Goods and Other Services	20,000		20,000		
G-Travel					
J-Capital Outlays	7,000		7,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total $	145,000	0	145,000	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. C - Operating FTE 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 2022	FY 2023	2021-23	2023-25	2025-27
Indirect ADM Fiscal Analyst 2	54,108	0.5	0.5	0.5	0.5	0.5
Indirect ISD IT Cust. Support - Journey	83,892	0.2	0.2	0.2	0.2	0.2
Investigator 3	74,604	2.0	2.0	2.0	2.0	2.0
Management Analyst 3	69,264	1.0	1.0	1.0	1.0	1.0
Total FTEs		3.7	3.7	3.7	3.7	3.7

III. D - Expenditures By Program (optional)

Program	FY 2022	FY 2023	2021-23	2023-25	2025-27
Mgmt & Support Services (100)	23,000		23,000		
Information Services (200)	9,000		9,000		
Business and Professions (700)	113,000		113,000		
Total $	145,000		145,000		

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

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.

Rulemaking will be required to allow vehicle dealers more flexibility to conduct certain business.