Multiple Agency Fiscal Note Summary

Bill Number: 5544 E S SB	**Title:** Blockchain work group

Estimated Cash Receipts

NONE

Agency Name	2021-23		2023-25		2025-27	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	No fiscal impact					
Local Gov. Total						

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
Office of Lieutenant Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of the Secretary of State	.0	8,740	8,740	8,740	.0	4,370	4,370	4,370	.0	0	0	0
Department of Financial Institutions	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Commerce	.3	63,131	63,131	63,131	.6	63,131	63,131	63,131	.6	0	0	0
Washington State Health Care Authority	.0	0	0	0	.0	0	0	0	.0	0	0	0
Consolidated Technology Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Agriculture	.0	9,300	9,300	9,300	.0	4,700	4,700	4,700	.0	0	0	0
Total $	**0.3**	**81,171**	**81,171**	**81,171**	**0.6**	**72,201**	**72,201**	**72,201**	**0.6**	**0**	**0**	**0**

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Expenditures

FNPID 64983

FNS029 Multi Agency rollup

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Lieutenant Governor	.0	0	0	.0	0	0	.0	0	0
Office of the Secretary of State	.0	0	0	.0	0	0	.0	0	0
Department of Financial Institutions	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Washington State Health Care Authority	.0	0	0	.0	0	0	.0	0	0
Consolidated Technology Services	.0	0	0	.0	0	0	.0	0	0
Department of Agriculture	.0	0	0	.0	0	0	.0	0	0
Total $	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Gwen Stamey, OFM	Phone: (360) 790-1166	Date Published: Final 2/18/2022

FNPID 64983

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 5544 E S SB	Title: Blockchain work group	Agency: 080-Office of Lieutenant Governor

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

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

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Sarian Scott	Phone: 360-786-7729	Date: 02/12/2022
Agency Preparation:	Paul Bitar	Phone: 360-407-8129	Date: 02/15/2022
Agency Approval:	Paul Bitar	Phone: 360-407-8129	Date: 02/15/2022
OFM Review:	Gwen Stamey	Phone: (360) 790-1166	Date: 02/15/2022

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.

5544 ES SB would require the lieutenant governor, as president of the senate, to appoint two senators to serve on the blockchain work group. This version of the bill does not require anything else of the lieutenant governor's office. Accordingly, the lieutenant governor does not expect this bill to have a 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: 5544 E S SB	Title: Blockchain work group	Agency: 085-Office of the Secretary of State

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	0.1	0.0	0.0	0.0
Account					
General Fund-State 001-1	0	8,740	8,740	4,370	0
Total $	0	8,740	8,740	4,370	0

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

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

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Sarian Scott	Phone: 360-786-7729	Date: 02/12/2022
Agency Preparation:	Mike Woods	Phone: (360) 704-5215	Date: 02/14/2022
Agency Approval:	Mike Woods	Phone: (360) 704-5215	Date: 02/14/2022
OFM Review:	Gwen Stamey	Phone: (360) 790-1166	Date: 02/15/2022

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.

Changes in ESSB 5544 compared to the previous version (SSB 5544):

ESSB 5544 removes a representative from the Office of the Lieutenant Governor from the work group; staffing of the work group is now provided by the Department of Commerce (instead of the Office of the Lieutenant Governor); and adds an individual representing a federally recognized tribe located in Washington to the work group.

Summary of ESSB 5544:

The bill creates the Washington Blockhain Work Group to examine various potential applications for blockchain technology including but not limited to applications in computing, banking and other financial services, the real estate transaction process, health care, supply chain management, higher education, and public recordkeeping.

The work group has 21 members, one of which is the Secretary of State or the Secretary's designee.

The work group must have its inaugural meeting by August 1, 2022. Staff support to the work group will be provided by the Department of Commerce.

By December 1, 2023 the workgroup must submit a report to the Governor and legislature on potential uses and impacts of blockchain, and recommended policies that will facilitate the development of blockchain applications in Washington.
The work group is dissolved January 1, 2024.

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.

The Office of the Secretary of State (OSOS) assumes the work group will meet monthly, and each meeting will require 8 hours of staff time that includes meeting and preparation time for an 18 month period between July, 2022 and December, 2023.

The cost of a WMS III would be $8,740 in FY23 and $4,370 in FY 24 for compensation and standard goods and services.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	0	8,740	8,740	4,370	0
		Total $	0	8,740	8,740	4,370	0

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		0.1	0.0	0.0	
A-Salaries and Wages		6,443	6,443	3,221	
B-Employee Benefits		2,004	2,004	1,002	
C-Professional Service Contracts					
E-Goods and Other Services		293	293	147	
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total $	0	8,740	8,740	4,370	0

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
WMS III	128,856		0.1	0.0	0.0	
Total FTEs			0.1	0.0	0.0	0.0

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: 5544 E S SB	Title: Blockchain work group	Agency: 102-Department of Financial Institutions

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

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

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Sarian Scott	Phone: 360-786-7729	Date: 02/12/2022
Agency Preparation:	Emily Fitzgerald	Phone: (360) 902-8780	Date: 02/15/2022
Agency Approval:	Levi Clemmens	Phone: (360) 902-8818	Date: 02/15/2022
OFM Review:	Cheri Keller	Phone: (360) 584-2207	Date: 02/15/2022

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 creates the Washington Blockchain Work Group. Section 1 (e) states that the director of the Department of Financial Institutions, or the director's designee, will be a member of this workgroup. While we cannot predict the amount of time that DFI's participation in this work group will entail, we assume it will be no more than 40 hours. This cost will be absorbed by the Department.

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: 5544 E S SB	Title: Blockchain work group	Agency: 103-Department of Commerce

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	0.6	0.3	0.6	0.6
Account					
General Fund-State 001-1	0	63,131	63,131	63,131	0
Total $	0	63,131	63,131	63,131	0

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Sarian Scott	Phone: 360-786-7729	Date: 02/12/2022
Agency Preparation:	Josh Woodson	Phone: 360-725-4048	Date: 02/18/2022
Agency Approval:	Darrell Stoa	Phone: (360) 725-2723	Date: 02/18/2022
OFM Review:	Gwen Stamey	Phone: (360) 790-1166	Date: 02/18/2022

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.

Differences between ESSB 5544 and the Substitute Senate Bill:

Section 1 removes the Lieutenant Governor and replaces with an individual representing a federally recognized tribe located in Washington, as a member of the work group.

Section 1(7) moves staff support for the work group from the Lieutenant Governor's office to the Department of Commerce (department).

Summary of ESSB 5544:

Section 1 adds a new section and establishes the Washington blockchain work group.

Section 1(7) requires the department to provide staff support for the work group, including arranging the inaugural meeting.

Section 1(11) the Washington blockchain work group must submit recommended policies report that facilitates the development of blockchain application in Washington to the governor and the appropriate legislative committees by December 1, 2023.

Section 1(12) expires section 1 and dissolves the work group on January 1, 2024.

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 accomplish this work the department estimates:

0.5 FTE Administrative Assistant 3 (1,044 hours) in FY23-FY24 to provide support for work group including arrange the inaugural meeting, subsequent meetings and work with sector lead in preparing the report.

Salaries and Benefits:
FY23-FY24: $38,444 per fiscal year

Goods and Services:
FY23-FY24: $10,416 per fiscal year

Travel:
The department assumes travel to cover to support set-up of meetings and staffing needs.

FY23-FY24: $1,200 per fiscal year

Intra-agency Reimbursements:

FY23-FY24: $13,071 per fiscal year

Note: Standard goods and services costs include supplies and materials, employee development and training, Attorney General costs, central services charges and agency administration. Agency administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

==========

Total Costs:

FY23-FY24: $63,131 per fiscal year

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	0	63,131	63,131	63,131	0
		Total $	0	63,131	63,131	63,131	0

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		0.6	0.3	0.6	0.6
A-Salaries and Wages		26,519	26,519	26,519	
B-Employee Benefits		11,925	11,925	11,925	
C-Professional Service Contracts					
E-Goods and Other Services		10,416	10,416	10,416	
G-Travel		1,200	1,200	1,200	
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		13,071	13,071	13,071	
9-					
Total $	0	63,131	63,131	63,131	0

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
Administrative Assistant 3	53,038		0.5	0.3	0.5	0.5
Administrative Services - Indirect	69,552		0.1	0.0	0.1	0.1
Total FTEs			0.6	0.3	0.6	0.6

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: 5544 E S SB	Title: Blockchain work group	Agency: 107-Washington State Health Care Authority

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

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

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Sarian Scott	Phone: 360-786-7729	Date: 02/12/2022
Agency Preparation:	Kathryn Kingman	Phone: 360-725-0455	Date: 02/17/2022
Agency Approval:	Michael Paquette	Phone: 360-725-0875	Date: 02/17/2022
OFM Review:	Jason Brown	Phone: (360) 742-7277	Date: 02/17/2022

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.

See attached narrative

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.

See attached narrative

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.

See attached narrative

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

None

Part V: New Rule Making Required

HCA Fiscal Note

Bill Number: 5544 ESSB HCA Request #: 22-141-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact
This bill establishes the Washington blockchain work group and provides an expiration date for the workgroup of January 1, 2024. The inaugural meeting will occur by August 1, 2022.

This engrossed bill differs from the substitute bill in that it removes the Office of the Lieutenant Governor from the work group membership and adds a representative from a federally recognized tribe located in Washington. It also moves support of the work group from the Office of the Lieutenant Governor to the Department of Commerce.

The work group will elect a chair from among its members and will examine potential applications for blockchain technology.

The work group will include the director of the Health Care Authority (HCA) or the director's designee.

The work group must submit a report on potential uses and impacts of blockchain, including impacts on existing industries, utilities, demand for electricity, and demand for computer processing capacity, and recommended policies that will facilitate the development of blockchain applications in Washington to the governor and the appropriate committees of the legislature by December 1, 2023.

II. B - Cash Receipts Impact
None

II. C – Expenditures
No fiscal impact.

HCA will be represented on this work group but does not have responsibilities to manage it. Staff support for this work group will be provided by the Department of Commerce.

Part IV: Capital Budget Impact
None

Part V: New Rule Making Required
None

Individual State Agency Fiscal Note

Bill Number: 5544 E S SB	Title: Blockchain work group	Agency: 163-Consolidated Technology Services

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

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

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Sarian Scott	Phone: 360-786-7729	Date: 02/12/2022
Agency Preparation:	Christina Winans	Phone: 360-407-8908	Date: 02/17/2022
Agency Approval:	Tim Gallivan	Phone: (360) 407-8215	Date: 02/17/2022
OFM Review:	Tyler Lentz	Phone: (360) 790-0055	Date: 02/17/2022

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.

ESSB 5544 establishes the Washington blockchain workgroup to examine various potential applications for blockchain technology including but not limited to applications in computing, banking and other financial services, the real estate transaction process, health care, and public record-keeping.

The amendments in ESSB 5544 have no fiscal impact on Consolidated Technology Services (WaTech).

ESSB 5544 changes from SSB 5544:

Section 1(2) the engross substitute bill removes the Lieutenant Governor from participating in the workgroup and directs Department of Commerce (instead of the office of Lieutenant Governor) to provide support to the workgroup.

SSB 5544 changes from the original bill:

Section 1(2) the substitute bill adds more members to the workgroup.

SB 5544:

Section 1(2) establishes members of the workgroup to include the director of Consolidated Technology Services (WaTech) or his/her designee.

There is no fiscal impact from this bill to WaTech. It is assumed WaTech can absorb the costs for this proposed bill in its base budget if the workload of other enacted legislation does not exceed current staffing levels.

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: 5544 E S SB	Title: Blockchain work group	Agency: 495-Department of Agriculture

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	0.1	0.0	0.0	0.0
Account					
General Fund-State 001-1	0	9,300	9,300	4,700	0
Total $	0	9,300	9,300	4,700	0

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

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

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Sarian Scott	Phone: 360-786-7729	Date: 02/12/2022
Agency Preparation:	Susie Olsen	Phone: 3609022077	Date: 02/16/2022
Agency Approval:	Nicholas Johnson	Phone: (360) 902-2055	Date: 02/16/2022
OFM Review:	Jim Cahill	Phone: (360) 790-2630	Date: 02/17/2022

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.

Engrossed Substitute Senate Bill 5544 establishes the Washington blockchain workgroup to examine various potential applications for blockchain technology.

Section 1 (2)(g) adds the director of the Washington State Department of Agriculture (WSDA) or directors designee as one of the work group members. (6) requires the work group to hold its inaugural meeting by August 1, 2022. (11) requires the work group to submit a report on recommended policies to the governor and appropriate legislative committees by December 1, 2023. (12) section expiries January 1, 2024 and dissolves the work group.

The agency's official voting member would likely be an agency executive leader from the Director's Office, Food Safety and Consumer Services Division, or Animal Services Division. This individual would participate in workgroup meetings, workgroup projects as appropriate, and function as a liaison to relevant sectors of the agriculture industry. Relevant agricultural connections include food and animal traceability. The agency would likely recommend that the chair invite a second agency representative to participate in an advisory capacity to ensure that both food and animal traceability interests are represented.

Based on lead agency assumptions by the Office of the Lieutenant Governor the work group will meet monthly for an 18-month period, assuming a start date of July 1, 2022 and expiration date of January 1, 2024.

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.

WSDA assumes 8 hours a month that includes meeting and preparation for an 18-month period, assuming a start date of July 1, 2022 and expiration date of January 1, 2024.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	0	9,300	9,300	4,700	0
		Total $	0	9,300	9,300	4,700	0

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		0.1	0.0	0.0	
A-Salaries and Wages		5,300	5,300	2,700	
B-Employee Benefits		1,700	1,700	800	
C-Professional Service Contracts					
E-Goods and Other Services		600	600	300	
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-Agency Administrative Overhead		1,700	1,700	900	
Total $	0	9,300	9,300	4,700	0

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
EMS	115,000		0.1	0.0	0.0	
Total FTEs			0.1	0.0	0.0	0.0

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

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5544 E S SB	Title: Blockchain work group

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

Legislation Impacts:

- ☐ Cities:
- ☐ Counties:
- ☐ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☒ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☐ Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Lauren Gilmore	Phone: 564-999-3560	Date: 02/17/2022
Leg. Committee Contact: Sarian Scott	Phone: 360-786-7729	Date: 02/12/2022
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/17/2022
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/17/2022

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 FROM PRIOR BILL VERSION:
Amends the Washington Blockchain Work Group members to include:
--An individual representing a federally recognized tribe located in Washington

Amends the Washington Blockchain Work Group members to remove:
-- The lieutenant governor or the lieutenant governor's designee

SUMMARY OF CURRENT BILL VERSION:
This bill would establish the Washington Blockchain Work Group under a new section with an expiration date of January 1, 2024. The workgroup would include members of:
--An individual representing an association for county government officials in Washington, appointed by the governor
--Casualty insurance companies that do business in Washington, appointed by the governor
--An individual representing an association for public utility districts in Washington, appointed by the governor.
-- An individual representing an environmental advocacy organization with expertise in energy policy
-- An individual representing an environmental advocacy organization with expertise in sustainability

The legislation requires the work group to submit a report on potential uses and impacts of block chain, including impacts on existing industries, utilities, demand for electricity, and demand for computer processing capacity, and recommended policies that facilitate the development of block chain applications in Washington by December 1, 2023.

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.

NO EXPENDITURE CHANGES FROM PRIOR BILL VERSION.

SUMMARY OF CURRENT BILL VERSION:
This bill would have no fiscal impact on local governments due to the membership including associations representing county government officials and public utility districts. The identified associations are independent nonprofit organizations and as such, the Local Government Fiscal Note Program does not assess their costs.

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.

NO CHANGES FROM PRIOR BILL VERSION:
This legislation would not impact local government revenues.

SOURCES:
Washington Association of County Officials
Local Government Fiscal Note, SB 5544 (2022)
Senate Bill Report ESSB 5544, 2022