

Multiple Agency Fiscal Note Summary

Bill Number: 5898 SB	Title: Aircraft fuel tax proceeds
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Revenue	.5	177,100	177,100	177,100	.3	65,600	65,600	65,600	.2	50,800	50,800	50,800
Department of Ecology	(10.7)	0	0	(4,406,000)	(57.1)	0	0	23,555,000)	(66.0)	0	0	(27,212,000)
Department of Ecology	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Pollution Liability Insurance Program	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Total \$	(10.2)	177,100	177,100	(4,228,900)	(56.8)	65,600	65,600	23,489,400)	(65.8)	50,800	50,800	(27,161,200)

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	(.3)	0	(2,794,000)	(1.6)	0	(14,845,000)	(1.8)	0	(16,488,000)
Department of Ecology	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Pollution Liability Insurance Program	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	(0.3)	0	(2,794,000)	(1.6)	0	(14,845,000)	(1.8)	0	(16,488,000)

Estimated Capital Budget Breakout

Agency Name	2025-27	2027-29	2029-31
	Total	Total	Total
Department of Ecology			
Grants/Loans	(2,350,647)	(12,484,050)	(13,860,238)
Other	(363,785)	(1,939,760)	(2,161,578)
Staff	(79,568)	(421,190)	(466,184)
	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.		
Pollution Liability Insurance Program	Non-zero but indeterminate cost and/or savings. Please see discussion.		
Total \$	(2,794,000)	(14,845,000)	(16,488,000)

Prepared by: Megan Tudor, OFM	Phone: (360) 890-1722	Date Published: Final 1/28/2026
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Department of Revenue Fiscal Note

Bill Number: 5898 SB	Title: Aircraft fuel tax proceeds	Agency: 140-Department of Revenue
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Account	FY 2026	FY 2027	2025-27	2027-29	2029-31
Aeronautics Account-State 01 - Taxes 12 - Hazardous Substnc Tx		7,200,000	7,200,000	38,400,000	43,700,000
Aeronautics Account-State 01 - Taxes 41 - Petroleum Prods Tax		1,200,000	1,200,000	6,300,000	3,700,000
Model Toxics Control Capital Account-State 01 - Taxes 12 - Hazardous Substnc Tx		(1,800,000)	(1,800,000)	(9,600,000)	(10,700,000)
Model Toxics Control Operating Account-State 01 - Taxes 12 - Hazardous Substnc Tx		(4,300,000)	(4,300,000)	(23,000,000)	(26,600,000)
Model Toxics Control Stormwater Account-State 01 - Taxes 12 - Hazardous Substnc Tx		(1,100,000)	(1,100,000)	(5,800,000)	(6,400,000)
Pollution Liability Reinsurance Program Trust Account-State 01 - Taxes 41 - Petroleum Prods Tax		(1,200,000)	(1,200,000)	(6,300,000)	(3,700,000)
Total \$					

Estimated Expenditures from:

Account	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years		1.0	0.5	0.3	0.2
Account					
GF-STATE-State 001-1		177,100	177,100	65,600	50,800
Total \$		177,100	177,100	65,600	50,800

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.

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Agency Preparation: Anna Yamada	Phone: (360) 534-1519	Date: 01/09/2026
Agency Approval: Valerie Torres	Phone: (360) 534-1521	Date: 01/09/2026
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 01/23/2026

Request # 5898-1-1

Part II: Narrative Explanation

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

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

CURRENT LAW:

AVIATION FUELS

Washington retailers sell two common aircraft fuels: aviation gasoline and jet fuel. Washington applies the hazardous substance tax (HST), petroleum products tax (PPT), and aircraft fuel tax to aviation fuels. In certain cases, oil spill taxes also apply to aviation fuels.

Washington taxes HST and PPT upon the first possession of petroleum products, so the fuel wholesaler (vendor) typically pays these taxes when they fuel from the rack.

If any taxpayer paid HST and PPT to another state for the same fuel, or if fuel was carried from this state in the fuel tank of any airplane, ship, truck, or other vehicle, then Washington taxes do not apply. For aviation fuel, airlines and scheduled air carriers pay HST and PPT only for the amount of fuel used during taxing, take-offs, and landings.

AIRCRAFT FUEL TAX

The Department of Licensing administers the aircraft fuel tax, which is \$0.18 per gallon.

PETROLEUM PRODUCTS TAX

The PPT tax rate is 0.30% of the wholesale value upon the first non-bulk possession in Washington. The Pollution Liability Insurance Program Trust Account receives these taxes.

The PPT has a "trigger" mechanism that adjusts based on the balance in the Pollution Liability Insurance Program Trust Account, ensuring the fund remains between \$15 million and \$30 million. If the fund balance exceeds \$30 million at the end of a quarter, the tax is suspended at the start of the next quarter. The tax is suspended until the fund balance falls below \$15 million, at which point it reinstates the tax at the beginning of the following quarter.

The state transfers any taxes exceeding \$7.5 million to the Underground Storage Tank Account (USTA) until the total taxes received reach \$20 million in any biennium.

PPT expires July 1, 2030.

HAZARDOUS SUBSTANCE TAX

The HST tax rate is \$1.48 per barrel through fiscal year 2026. Each fiscal year, the Department of Revenue (department) adjusts the rate for the change in the implicit price deflator.

At the beginning of each biennium, the Motor Vehicle Fund receives the first \$50 million in taxes.

The following accounts receive portions of the HST taxes after the deposits into the Motor Vehicle Fund:

- The Model Toxics Control Operating Account receives 60% of the taxes.
- The Model Toxics Control Capital Account receives 25% of the taxes.
- The Model Toxics Control Stormwater Account receives 15% of the taxes.

OIL SPILL TAXES

Oil spill taxes apply to aviation fuels imported into Washington by ship, barge, railroad tank car, or pipeline and off-loaded at an in-state marine or bulk oil terminal. Washington businesses produce most aviation fuels in the state and do not import them; therefore, oil spill taxes on aviation fuels are minimal.

The oil spill response tax rate is \$0.01 per barrel, and the oil spill administration tax rate is \$0.04 per barrel. Washington activates the oil spill response tax when the balance in the oil spill response account falls to \$8 million. Washington suspends when the balance exceeds \$9 million and reactivates once the balance drops below \$8 million again. Washington keeps the oil spill prevention tax active at all times. The state allocates the first \$200,000 of the oil spill administration tax to the Military Department Active State Service Account, and the remaining funds go to the Oil Spill Prevention Account.

Beginning July 1, 2023, taxpayers who owe one or more HST, PPT, or oil spill taxes began reporting the taxable amount of aviation fuels to the department.

PROPOSAL:

The Aeronautics Account will receive all the taxes on aircraft fuel from HST, PPT, and oil spill response tax.

EFFECTIVE DATE:

The bill takes effect 90 days after the final adjournment of the session. However, due to the time it will take to program this bill's changes, the department cannot implement the bill until January 1, 2027.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

ASSUMPTIONS:

- This estimate excludes the change in the tax rate for PPT from 0.3% to 0.31% because we understand this is a drafting error and the tax rate is not meant to change.
- The department collects HST, PPT, and oil spill tax, but the exact amount of these taxes paid on aviation fuels is unclear because the HST and PPT are paid on petroleum products, including various fuels, such as motor vehicle gasoline and diesel, as well as aviation fuel. Starting in July 2023, the department began requesting aviation fuel information from businesses paying these taxes. If self-reporting increases, the department will have underestimated the impact in this fiscal note.
- Aviation fuels include both jet fuels and aviation gasoline; however, the amount of aviation gasoline is minimal compared to the jet fuel consumed in Washington. This estimate focuses on the taxes paid on jet fuels.
- The growth rate of the aviation fuel demand reflects the Bureau of Transportation Statistics' 2025 forecast for the U.S. Air Carrier Traffic Statistics.
- This estimate does not account for alternative jet fuels which are expected to gradually replace petroleum-based jet fuels. Alternative jet fuel growth occurs outside the fiscal note period.
- The department will implement this legislation on January 1, 2027, impacting five months of collections in fiscal year 2026. The expiration of PPT on July 1, 2030, impacts one month of PPT revenue collection in fiscal year 2031.

HAZARDOUS SUBSTANCE TAX

- The taxable volume of HST will grow in pace with the U.S. air traffic trend and with the tax rates.
- The tax rate is as follows:
 - Fiscal year 2026 - \$1.48 per barrel
 - Fiscal year 2027 - \$1.51 per barrel
 - Fiscal year 2028 - \$1.55 per barrel
 - Fiscal year 2029 - \$1.59 per barrel
 - Fiscal year 2030 - \$1.62 per barrel
 - Fiscal year 2031 - \$1.66 per barrel

PETROLEUM PRODUCTS TAX

- The taxable amount of PPT is the wholesale value of aviation fuels.
 - The taxable volume of PPT grows in pace with the U.S. air traffic trend or the demand for aviation fuels.
- Thus, to estimate the total volume of aviation fuels subject to the PPT, the taxable dollar amount was divided by an

average jet fuel price per gallon.

OIL SPILL TAXES:

- This fiscal note excludes the impacts to oil spill taxes for confidential tax information purposes; however, the amount of oil spill response taxes paid on aviation fuels is minimal, thus the revenue impact would be minimal.

DATA SOURCES:

- Statista, U.S. price outlook of select fuels, 2018-2050
- Non-general fund forecast, Hazardous substance tax, November 2025
- Economic and Revenue Forecast Council, Nonresidential structures, November 2025
- Department of Revenue, Aviation fuel worksheet
- Energy Information Administration, Refiner Retail Price of Kerosene-Type Jet Fuel, December 2025
- Bureau of Transportation Statistics, U.S. Air Carrier Traffic Statistics through September 2025

REVENUE ESTIMATES:

This bill moves an estimated \$8.4 million from the Model Toxic Control Accounts and Pollution Liability Insurance Trust Account to the Aeronautics Account in the five months of impacted collections in fiscal year 2027, and an estimated \$21.6 million in fiscal year 2028, the first full year of impacted collections.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

- FY 2026 - \$ 0
- FY 2027 - \$ 0
- FY 2028 - \$ 0
- FY 2029 - \$ 0
- FY 2030 - \$ 0
- FY 2031 - \$ 0

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

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

ASSUMPTIONS:

This bill affects approximately 50 taxpayers.

FIRST YEAR COSTS:

The department will not incur any costs in fiscal year 2026

SECOND YEAR COSTS:

The department will incur total costs of \$177,100 in fiscal year 2027. These costs include:

Labor Costs – Time and effort equate to 1.0 FTE.

- Accounting activities; compiling receivable information for statewide financial statements and stakeholders.
- Respond to data requests and questions, compile statistics, and manage data.
 - Process tax return work items, assist taxpayers with reporting questions, and respond to inquiries via email, web message, and paper correspondence.
- Examine accounts and make corrections as necessary.
 - Answer additional phone calls and counter inquiries from businesses, individuals, and accountants regarding tax questions and tax return preparation.

Object Costs - \$36,400.

- Computer system changes, including contract programming.

ONGOING COSTS:

Ongoing costs for the 2027-29 biennium equal \$65,600 and include similar activities described in the second-year costs. Time and effort equate to 0.25 FTE.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years		1.0	0.5	0.3	0.2
A-Salaries and Wages		88,600	88,600	42,600	32,800
B-Employee Benefits		32,000	32,000	15,300	11,800
C-Professional Service Contracts		36,400	36,400		
E-Goods and Other Services		16,100	16,100	7,200	5,800
J-Capital Outlays		4,000	4,000	500	400
Total \$		\$177,100	\$177,100	\$65,600	\$50,800

III. B - Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
EXCISE TAX EX 3	67,992		0.1	0.1		
FISCAL ANALYST 4	69,747		0.1	0.1	0.1	0.1
IT B A-JOURNEY	97,570		0.4	0.2	0.1	
IT QA-SR/SPEC	107,544		0.2	0.1		
TAX INFO SPEC 1	49,428		0.1	0.1		
TAX POLICY SP 3	93,800		0.1	0.1	0.1	0.1
Total FTEs			1.0	0.5	0.3	0.2

III. C - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5898 SB	Title: Aircraft fuel tax proceeds	Agency: 461-Department of Ecology
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.0	(21.3)	(10.7)	(57.1)	(66.0)
Account					
Model Toxics Control Operating Account-State 23P-1	0	(4,300,000)	(4,300,000)	(23,000,000)	(26,600,000)
Model Toxics Control Stormwater Account-State 23R-1	0	(106,000)	(106,000)	(555,000)	(612,000)
Total \$	0	(4,406,000)	(4,406,000)	(23,555,000)	(27,212,000)

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

Estimated Capital Budget Impact:

	2025-27		2027-29		2029-31	
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Pre-design/Design	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Grants/Loans	0	(2,350,647)	(6,242,025)	(6,242,025)	(6,930,119)	(6,930,119)
Staff	0	(79,568)	(210,595)	(210,595)	(233,092)	(233,092)
Other	0	(363,785)	(969,880)	(969,880)	(1,080,789)	(1,080,789)
Total \$	0	(2,794,000)	(7,422,500)	(7,422,500)	(8,244,000)	(8,244,000)

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

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.

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Agency Preparation: Aaron Hubler	Phone: 509-537-6749	Date: 01/20/2026
Agency Approval: Garret Ward	Phone: 360-789-7938	Date: 01/20/2026
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/22/2026

Part II: Narrative Explanation

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

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

BACKGROUND

Under chapter 82.21 RCW, the hazardous substance tax (HST) is a tax collected by the Department of Revenue (DOR) on the first possession of hazardous substances in the state. Hazardous substances include petroleum products, pesticides, and certain chemicals. Petroleum products are currently subject to a rate of \$1.48 per barrel, which DOR adjusts annually based on the change in the implicit price deflator (IPD) for nonresidential structures. DOR deposits the tax revenue based on the distribution provided in RCW 82.21.030: 60% to the Model Toxics Control (MTCA) Operating Account, 25% to the MTCA Capital Account, and 15% to the MTCA Stormwater Account. Non-petroleum products are subject to a tax rate of 0.7% of the wholesale value, which DOR deposits into the MTCA Capital Account.

Under chapter 70A.305 RCW, as established under 5993 ESSB PL in the 2019 legislative session:

- MTCA Operating funds are dedicated in the operating budget to a broad range of toxic cleanup, pollution prevention and management activities at the state and local level as defined in RCW 70A.305.180.
- MTCA Capital funds are dedicated in the capital budget for improvement, rehabilitation, remediation, and cleanup of toxic sites and other capital expenditures for programs and activities defined in RCW 70A.305.190.
- MTCA Stormwater funds are dedicated to capital and operating programs and activities related to stormwater pollution control and stormwater financial assistance to local governments as defined in RCW 70A.305.200.

Under the 2025-27 enacted operating and capital budgets:

- MTCA Operating-State - Ecology and 11 other state agencies have current appropriations. Ecology has an operating appropriation of \$362.1 million.
- MTCA Capital - Ecology and 11 other state agencies have current appropriations. Ecology's MTCA Capital new appropriations total \$180.3 million.
- MTCA Stormwater – Ecology and three other state agencies have current appropriations. Ecology's MTCA Stormwater appropriation in the operating budget is \$17.3 million and its new appropriations out of the capital budget total \$63.0 million.

Under chapter 82.23B, the Oil Spill Response Tax (OSRT) is assessed on crude oil or petroleum products transported into Washington by vessels, rail, or pipeline and off-loaded at an in-state marine or a bulk oil terminal. This tax is collected by the marine or bulk oil terminal operator at the rate of \$0.01 per barrel and is held in trust until paid to the DOR and subsequently deposited into the Oil Spill Response Account (OSRA). This tax is activated when the OSRA balance falls to \$8 million and is suspended when the account balance exceeds \$9 million.

Under the 2025-27 enacted operating budget, Ecology has an appropriation of \$7.1 million in the Oil Spill Response Account.

Under chapter 82.23B RCW, the Oil Spill Administration Tax (OSAT) is assessed on crude oil or petroleum products transported into Washington by vessels, rail, or pipeline and off-loaded at an in-state marine or a bulk oil terminal. This tax is collected by the marine or bulk oil terminal operator at the rate of \$0.04 per barrel and is held in trust until paid to the DOR. The first \$200,000 collected from the OSAT is deposited into the Military Department Active State Service Account, and all receipts thereafter are deposited into the Oil Spill Prevention Account (OSPA).

Under the 2025-27 enacted operating budget, Ecology has an appropriation of \$10.4 million in the Oil Spill Prevention Account.

SUMMARY OF THIS BILL

This bill would change the distribution of revenue into the MTCA accounts from HST under chapter 82.21 RCW, as well as OSRA and OSPA from the Oil Spill Response Tax and Oil Spill Administration Tax under chapter 82.23B RCW, by redirecting revenue collected for these taxes that would be assessed on aircraft fuel into the Aeronautics Account.

Section 1 would amend RCW 82.21.030 to direct all proceeds from the imposition of the HST on aircraft fuel, that would have previously been deposited into MTCA accounts, to instead be deposited into the aeronautics account.

Section 2 would amend RCW 82.23B.020 to direct all proceeds from the imposition of the OSRT and OSAT on aircraft fuel, that would have previously been deposited into the Oil Spill Response Account and Oil Spill Prevention Account, respectively, to instead be deposited into the aeronautics account.

Section 4 would amend RCW 82.42.090 to require all revenue collected from taxes imposed on aircraft fuel under RCWs 82.21.030 and 82.23B.020 to be deposited into the aeronautics account.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

There is no cash receipts impact to Ecology under this bill. This bill would change the distribution of revenue into the MTCA accounts from HST under chapter 82.21 RCW, as well as OSRA and OSPA from the Oil Spill Response Tax and Oil Spill Administration Tax under chapter 82.23B RCW, by redirecting revenue collected for these taxes that would be assessed on aircraft fuel from MTCA to the Aeronautics Account. The HST, OSRT, and OSAT are collected by the Department of Revenue, and these impacts can be found in their fiscal note.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Ecology would have a fiscal impact of more than \$50,000 each year to the operating budget for the changes in sections 1 and 2, beginning in FY 2027 and ongoing.

Section 1 would amend RCW 82.21.030 to direct all proceeds from the imposition of the HST on aircraft fuel, that would have previously been deposited into MTCA accounts, to instead be deposited into the Aeronautics Account. Ecology assumes the reduction of revenue would require reductions to Ecology's operating expenditure authority in the MTCA Operating and MTCA Stormwater accounts to maintain account solvency. Under RCW 82.21.030, the Department of Revenue is required to collect the HST, therefore Ecology assumes DOR's revenue estimates for their fiscal note would inform Ecology's reduction assumptions.

In their fiscal note, the Department of Revenue notes revenue estimates are based on self-reported payment of taxes on aircraft fuels by the taxpayers themselves. As such, Ecology assumes the reductions estimated below would reflect the minimum reduction to revenue and expenditure authority, and that the actual impact could be much higher as taxpaying entities improve the accuracy and frequency of their reporting. Please see Attachment A for assumed impacts if more entities were to report.

Reduction to MTCA Operating:

The Department of Revenue provided estimates for reduced MTCA Operating revenue. Based on these estimates, Ecology estimates the following reduction to MTCA Operating expenditure authority beginning FY 2027 and ongoing:

FY 2027: -\$4,300,000
2025-27 Biennium: -\$4,300,000
2027-29 Biennium: -\$23,000,000
2029-31 Biennium: -\$26,600,000

Ecology assumes the above reductions to revenue would require matching reductions to MTCA Operating expenditure authority. MTCA Operating funds are allotted across 11 of the Ecology's 12 programs and are dedicated to supporting a broad range of toxic cleanup, pollution prevention, and management activities at the state and local level.

Ecology estimates approximately 898 FTEs are funded by MTCA Operating in the 2025-27 biennium. The reduction of funding for MTCA Operating would result in a reduction of approximately 21.3 FTEs in FY 2027 (10.7 FTEs biennialized), 57.0 FTEs in 2027-29, and 66.0 FTEs in 2029-31, based on agency salary and benefit allotments in the 2025-27 biennium. These estimates are calculated as an Environmental Specialist 5, as a representative level of the agency average salary.

In addition to staff costs, based on current agency allotments for MTCA, Ecology estimates the bill would eliminate funding for approximately \$0.3 million in contracts in 2025-27, \$1.7 million in 2027-29, and \$2.0 million in 2029-31. Goods and services would be reduced by \$0.6 million in 2025-27, \$3.2 million in 2027-29, and \$3.7 million in 2029-31. Furthermore, this bill would require reductions to grants, including those that are passed through to local communities, such as the Local Solid Waste Financial Assistance grants, by approximately \$0.5 million in 2025-27, \$3.0 million in 2027-29, and \$3.4 million in 2029-31.

Ecology assumes we would retain \$1,360,000/biennium of MTCA Operating State supported by cost recovery and penalty revenue, and \$499,000/biennium of MTCA Operating Private/Local supported by reimbursable private/local contracts.

Reduction to MTCA Stormwater (Operating):

The Department of Revenue provided estimates for reduced MTCA Stormwater revenue. The MTCA Stormwater appropriation in the operating budget comprises roughly 10% of the account's total appropriation each biennium. Based on this split, Ecology estimates the following reduction to MTCA Stormwater appropriated in the operating budget beginning FY 2027 and ongoing:

FY 2027: -\$106,000
2025-27 Biennium: -\$106,000
2027-29 Biennium: -\$555,000
2029-31 Biennium: -\$612,000

Based on Ecology's 2025-27 operating allotments, the above reductions to MTCA Stormwater (Operating) would be to stormwater management, and approximately 99% of reductions would be to local government stormwater capacity grants.

Oil Spill Response Account and Oil Spill Prevention Account:

Section 2 would amend RCW 82.23B.020 to direct all proceeds from the imposition of the OSRT and OSAT on aircraft fuel, that would have previously been deposited into the Oil Spill Response Account and Oil Spill Prevention Account, respectively, to instead be deposited into the aeronautics account. Ecology assumes the reduction of revenue would require reductions to operating expenditure authority in the Oil Spill Response Account and Oil Spill Prevention Account to maintain account solvency.

DOR's estimates exclude the impacts to the ORST and OSAT to maintain confidentiality of taxpayers. DOR estimates impact to be greater than zero, but minimal. Ecology assumes this bill would reduce revenue for the Oil Spill Response Account and Oil Spill Prevention Account, but that the reduction to expenditure authority would be minimal and is not estimated in this fiscal note.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
23P-1	Model Toxics Control Operating Account	State	0	(4,300,000)	(4,300,000)	(23,000,000)	(26,600,000)
23R-1	Model Toxics Control Stormwater Account	State	0	(106,000)	(106,000)	(555,000)	(612,000)
Total \$			0	(4,406,000)	(4,406,000)	(23,555,000)	(27,212,000)

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 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years		(21.3)	(10.7)	(57.1)	(66.0)
A-Salaries and Wages		(2,134,745)	(2,134,745)	(11,418,274)	(13,205,178)
B-Employee Benefits		(680,129)	(680,129)	(3,637,858)	(4,207,158)
C-Professional Service Contracts		(327,156)	(327,156)	(1,749,904)	(2,023,800)
E-Goods and Other Services		(593,879)	(593,879)	(3,176,558)	(3,673,744)
G-Travel		(36,458)	(36,458)	(195,002)	(225,512)
J-Capital Outlays		(47,642)	(47,642)	(254,832)	(294,716)
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		(652,246)	(652,246)	(3,476,958)	(3,991,746)
P-Debt Service					
S-Interagency Reimbursements		66,255	66,255	354,386	409,854
T-Intra-Agency Reimbursements					
9-					
Total \$	0	(4,406,000)	(4,406,000)	(23,555,000)	(27,212,000)

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 2026	FY 2027	2025-27	2027-29	2029-31
ENVIRONMENTAL SPEC 5	100,490		(21.3)	(10.7)	(57.1)	(66.0)
Total FTEs			(21.3)	(10.7)	(57.1)	(66.0)

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
23N-1	Model Toxics Control Capital Account	State	0	(1,800,000)	(1,800,000)	(9,600,000)	(10,700,000)
23R-1	Model Toxics Control Stormwater Account	State	0	(994,000)	(994,000)	(5,245,000)	(5,788,000)
Total \$			0	(2,794,000)	(2,794,000)	(14,845,000)	(16,488,000)

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

IV. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years		(0.6)	(0.3)	(1.6)	(1.8)
A-Salaries and Wages		(59,947)	(59,947)	(317,346)	(351,266)
B-Employee Benefits		(19,621)	(19,621)	(103,844)	(114,918)
C-Professional Service Contracts		(346,282)	(346,282)	(1,846,840)	(2,058,456)
E-Goods and Other Services		(15,808)	(15,808)	(83,962)	(93,226)
G-Travel		(1,459)	(1,459)	(7,710)	(8,518)
J-Capital Outlays		(236)	(236)	(1,248)	(1,378)
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		(2,350,647)	(2,350,647)	(12,484,050)	(13,860,238)
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	(2,794,000)	(2,794,000)	(14,845,000)	(16,488,000)

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

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

Construction Estimate	FY 2026	FY 2027	2025-27	2027-29	2029-31
Pre-design/Design					
Construction					
Grants/Loans		(2,350,647)	(2,350,647)	(12,484,050)	(13,860,238)
Staff		(79,568)	(79,568)	(421,190)	(466,184)
Other		(363,785)	(363,785)	(1,939,760)	(2,161,578)
Total \$		(2,794,000)	(2,794,000)	(14,845,000)	(16,488,000)

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

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

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
ENVIRONMENTAL SPEC 5	100,490		(0.6)	(0.3)	(1.6)	(1.8)
Total FTEs			(0.6)	(0.3)	(1.6)	(1.8)

Section 1 would amend RCW 82.21.030 to direct all proceeds from the imposition of the HST on aircraft fuel, that would have previously been deposited into MTCA accounts, to instead be deposited into the Aeronautics Account. Ecology assumes the reduction of revenue would require reductions to capital expenditure authority in the MTCA Capital and MTCA Stormwater accounts to maintain account solvency.

In their fiscal note, the Department of Revenue notes revenue estimates are based on self-reported payment of taxes on aircraft fuels by the taxpayers themselves. As such, Ecology assumes the reductions estimated below would reflect the minimum reduction to revenue and expenditure authority, and that the actual impact could be much higher as taxpaying entities improve the accuracy and frequency of their reporting. Please see Attachment A for assumed impacts if more entities were to report.

Reduction to MTCA Capital:

The Department of Revenue provided estimates for reduced MTCA Capital revenue. Based on these estimates, Ecology estimates the following reduction to MTCA Capital expenditure authority beginning FY 2027 and ongoing:

FY 2027: -\$1,800,000
2025-27 Biennium: -\$1,800,000
2027-29 Biennium: -\$9,600,000
2029-31 Biennium: -\$10,700,000

In the 2023-25 and 2025-27 biennia, Ecology received an average of \$203.9 million in new appropriations to the MTCA Capital account to support cleanup and toxics reduction activities around the state of Washington. In the 2025-27 biennium, Ecology received \$84.4 million in new appropriations to support the Remedial Action Grant Program, which provides grants to local governments to help clean up hazardous waste sites. \$40 million was appropriated to improve, protect, and restore water quality across the state as part of the Centennial Clean Water Program. \$7.8 million was appropriated to reduce greenhouse gases by providing clean diesel grants, with the primary purpose of electrifying school buses. \$7.3 million was appropriated to support Puget Sound cleanup and the Eastern Washington Clean Sites Initiative.

Approximately 79% of Ecology's 2025-27 MTCA Capital appropriation is allotted for grant funding to local governments and agencies. Ecology assumes the reduction that would be required by this bill, if enacted, would result in reduced funding to support these projects in future biennia.

Reduction to MTCA Stormwater (Capital):

The Department of Revenue provided estimates for reduced MTCA Stormwater revenue. The MTCA Stormwater appropriation in the capital budget comprises roughly 90% of the account's total appropriation each biennium. Based on this split, Ecology estimates the following reduction to MTCA Stormwater appropriated in the capital budget beginning FY 2027 and ongoing:

FY 2027: -\$994,000
2025-27 Biennium: -\$994,000
2027-29 Biennium: -\$5,245,000
2029-31 Biennium: -\$5,788,000

In the 2023-25 and 2025-27 biennia, Ecology received an average of \$67.0 million in new appropriations to the MTCA Stormwater account to provide grants for statewide stormwater projects to local governments to plan, design, and construct stormwater retrofit or low-impact development projects. Approximately 94% of Ecology's capital appropriation for MTCA Stormwater dedicated to funding these grants. This reduction would result in reduced funding to support these projects in future biennia.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

MTCA Operating Reductions

DOR Revenue Estimate x 1.0 (4,300,000) (4,300,000) (23,000,000) (26,600,000)

		FY 2027	2025-27	2027-29	2029-31
FTEs		(21.32)	(10.66)	(57.03)	(65.95)
A - Salaries	50%	(2,133,657)	(2,133,657)	(11,412,585)	(13,198,902)
B - Benefits	16%	(679,766)	(679,766)	(3,635,956)	(4,205,062)
C - Contracts	8%	(327,144)	(327,144)	(1,749,839)	(2,023,727)
E - Goods and Services	14%	(593,828)	(593,828)	(3,176,291)	(3,673,449)
G - Travel	1%	(36,415)	(36,415)	(194,776)	(225,263)
J - Equipment	1%	(47,638)	(47,638)	(254,806)	(294,688)
N - Grants	13%	(547,807)	(547,807)	(2,930,133)	(3,388,762)
P - Debt Service	0%	-	-	-	-
S - Inter-agency Agreements	-2%	66,255	66,255	354,385	409,854
Environmental Specialist 5					
Salary		100,490			
Benefits @ 31.3%		31,453			
Total		131,943			

DOR Revenue Estimate x 1.25 (5,375,000) (5,375,000) (28,750,000) (33,250,000)

		FY 2027	2025-27	2027-29	2029-31
FTEs		(26.65)	(13.33)	(71.28)	(82.44)
A - Salaries	50%	(2,667,071)	(2,667,071)	(14,265,731)	(16,498,628)
B - Benefits	16%	(849,707)	(849,707)	(4,544,945)	(5,256,328)
C - Contracts	8%	(408,930)	(408,930)	(2,187,299)	(2,529,659)
E - Goods and Services	14%	(742,285)	(742,285)	(3,970,363)	(4,591,812)
G - Travel	1%	(45,518)	(45,518)	(243,470)	(281,578)
J - Equipment	1%	(59,547)	(59,547)	(318,507)	(368,361)
N - Grants	13%	(684,759)	(684,759)	(3,662,666)	(4,235,953)
P - Debt Service	0%	-	-	-	-
S - Inter-agency Agreements	-2%	82,818	82,818	442,981	512,318
Environmental Specialist 5					
Salary		100,490			
Benefits @ 31.3%		31,453			
Total		131,943			

DOR Revenue Estimate x 1.50 (6,450,000) (6,450,000) (34,500,000) (39,900,000)

		FY 2027	2025-27	2027-29	2029-31
FTEs		(31.98)	(15.99)	(85.54)	(98.93)
A - Salaries	50%	(3,200,486)	(3,200,486)	(17,118,877)	(19,798,354)
B - Benefits	16%	(1,019,649)	(1,019,649)	(5,453,934)	(6,307,593)
C - Contracts	8%	(490,716)	(490,716)	(2,624,759)	(3,035,590)
E - Goods and Services	14%	(890,742)	(890,742)	(4,764,436)	(5,510,174)
G - Travel	1%	(54,622)	(54,622)	(292,164)	(337,894)
J - Equipment	1%	(71,456)	(71,456)	(382,209)	(442,033)
N - Grants	13%	(821,711)	(821,711)	(4,395,199)	(5,083,143)
P - Debt Service	0%	-	-	-	-
S - Inter-agency Agreements	-2%	99,382	99,382	531,578	614,781
Environmental Specialist 5					
Salary		100,490			
Benefits @ 31.3%		31,453			
Total		131,943			

MTCA Stormwater - Operating					
DOR Revenue Estimate x 1.0	(1,100,000)	(1,100,000)	(5,800,000)	(6,400,000)	
	FY 2027	2025-27	2027-29	2029-31	
MTCA Stormwater - Operating Approp.	8,713,000	17,323,000	17,358,000	17,358,000	
<i>Percent of total MTCA Stormwater</i>	10%	10%	10%	10%	
Operating Reduction	(106,000)	(106,000)	(555,000)	(612,000)	
FTEs	(0.01)	(0.01)	(0.03)	(0.03)	
A - Salaries 1%	(1,087)	(1,087)	(5,690)	(6,275)	
B - Benefits 0%	(363)	(363)	(1,902)	(2,097)	
C - Contracts 0%	(13)	(13)	(66)	(72)	
E - Goods and Services 0%	(51)	(51)	(266)	(294)	
G - Travel 0%	(43)	(43)	(226)	(249)	
J - Equipment 0%	(5)	(5)	(25)	(28)	
N - Grants 99%	(104,438)	(104,438)	(546,824)	(602,985)	
P - Debt Service 0%	-	-	-	-	
S - Inter-agency Agreements 0%	-	-	-	-	
Environmental Specialist 5					
Salary	100,490				
Benefits @ 31.3%	31,453				
Total	131,943				

DOR Revenue Estimate x 1.25					
	(1,375,000)	(1,375,000)	(7,250,000)	(8,000,000)	
	FY 2027	2025-27	2027-29	2029-31	
MTCA Stormwater - Operating Approp.	8,493,000	17,459,000	17,448,000	17,448,000	
<i>Percent of total MTCA Stormwater</i>	9%	8%	8%	8%	
Operating Reduction	(129,000)	(114,000)	(600,000)	(662,000)	
FTEs	(0.01)	(0.01)	(0.03)	(0.03)	
A - Salaries 1%	(1,323)	(1,169)	(6,152)	(6,787)	
B - Benefits 0%	(442)	(391)	(2,056)	(2,269)	
C - Contracts 0%	(15)	(14)	(71)	(78)	
E - Goods and Services 0%	(62)	(55)	(288)	(318)	
G - Travel 0%	(53)	(46)	(244)	(270)	
J - Equipment 0%	(6)	(5)	(27)	(30)	
N - Grants 99%	(127,100)	(112,321)	(591,161)	(652,248)	
P - Debt Service 0%	-	-	-	-	
S - Inter-agency Agreements 0%	-	-	-	-	
Environmental Specialist 5					
Salary	100,490				
Benefits @ 31.3%	31,453				
Total	131,943				

DOR Revenue Estimate x 1.50					
	(1,650,000)	(1,650,000)	(8,700,000)	(9,600,000)	
	FY 2027	2025-27	2027-29	2029-31	
MTCA Stormwater - Operating Approp.	8,493,000	17,459,000	17,448,000	17,448,000	
<i>Percent of total MTCA Stormwater</i>	9%	8%	8%	8%	
Operating Reduction	(155,000)	(137,000)	(720,000)	(794,000)	
FTEs	(0.02)	(0.01)	(0.04)	(0.04)	
A - Salaries 1%	(1,589)	(1,405)	(7,382)	(8,141)	
B - Benefits 0%	(531)	(469)	(2,467)	(2,721)	
C - Contracts 0%	(18)	(16)	(85)	(94)	
E - Goods and Services 0%	(74)	(66)	(346)	(381)	
G - Travel 0%	(63)	(56)	(293)	(323)	
J - Equipment 0%	(7)	(6)	(33)	(36)	
N - Grants 99%	(152,717)	(134,982)	(709,394)	(782,303)	
P - Debt Service 0%	-	-	-	-	
S - Inter-agency Agreements 0%	-	-	-	-	
Environmental Specialist 5					
Salary	100,490				
Benefits @ 31.3%	31,453				
Total	131,943				

MTCA Stormwater - Capital					
DOR Revenue Estimate x 1.0	(1,100,000)	(1,100,000)	(5,800,000)	(6,400,000)	
	FY 2027	2025-27	2027-29	2029-31	
MTCA Stormwater - Capital Approp.	82,080,500	164,161,000	164,161,000	164,161,000	
<i>Percent of total MTCA Stormwater</i>	90%	90%	90%	90%	
Capital Reduction	(994,000)	(994,000)	(5,245,000)	(5,788,000)	
FTEs	(0.42)	(0.21)	(1.12)	(1.24)	
A - Salaries 4%	(41,864)	(41,864)	(220,904)	(243,774)	
B - Benefits 1%	(14,136)	(14,136)	(74,592)	(82,315)	
C - Contracts 0%	-	-	-	-	
E - Goods and Services 1%	(6,106)	(6,106)	(32,219)	(35,555)	
G - Travel 0%	(1,277)	(1,277)	(6,737)	(7,435)	
J - Equipment 0%	(217)	(217)	(1,146)	(1,264)	
N - Grants 94%	(930,399)	(930,399)	(4,909,401)	(5,417,658)	
P - Debt Service 0%	-	-	-	-	
S - Inter-agency Agreements 0%	-	-	-	-	
Environmental Specialist 5					
Salary	100,490				
Benefits @ 31.3%	31,453				
Total	131,943				

DOR Revenue Estimate x 1.25					
	(1,375,000)	(1,375,000)	(7,250,000)	(8,000,000)	
	FY 2027	2025-27	2027-29	2029-31	
MTCA Stormwater - Capital Approp.	82,080,500	193,520,000	193,520,000	193,520,000	
<i>Percent of total MTCA Stormwater</i>	91%	92%	92%	92%	
Capital Reduction	(1,246,000)	(1,261,000)	(6,650,000)	(7,338,000)	
FTEs	(0.53)	(0.27)	(1.42)	(1.57)	
A - Salaries 4%	(52,478)	(53,110)	(280,079)	(309,055)	
B - Benefits 1%	(17,720)	(17,933)	(94,574)	(104,358)	
C - Contracts 0%	-	-	-	-	
E - Goods and Services 1%	(7,654)	(7,746)	(40,850)	(45,076)	
G - Travel 0%	(1,601)	(1,620)	(8,542)	(9,426)	
J - Equipment 0%	(272)	(275)	(1,452)	(1,603)	
N - Grants 94%	(1,166,275)	(1,180,316)	(6,224,503)	(6,868,482)	
P - Debt Service 0%	-	-	-	-	
S - Inter-agency Agreements 0%	-	-	-	-	
Environmental Specialist 5					
Salary	100,490				
Benefits @ 31.3%	31,453				
Total	131,943				

DOR Revenue Estimate x 1.25					
	(1,650,000)	(1,650,000)	(8,700,000)	(9,600,000)	
	FY 2027	2025-27	2027-29	2029-31	
MTCA Stormwater - Capital Approp.	82,080,500	193,520,000	193,520,000	193,520,000	
<i>Percent of total MTCA Stormwater</i>	91%	92%	92%	92%	
Capital Reduction	(1,495,000)	(1,513,000)	(7,980,000)	(8,806,000)	
FTEs	(0.64)	(0.32)	(1.70)	(1.88)	
A - Salaries 4%	(62,965)	(63,723)	(336,094)	(370,883)	
B - Benefits 1%	(21,261)	(21,517)	(113,489)	(125,236)	
C - Contracts 0%	-	-	-	-	
E - Goods and Services 1%	(9,184)	(9,294)	(49,020)	(54,094)	
G - Travel 0%	(1,920)	(1,943)	(10,251)	(11,312)	
J - Equipment 0%	(327)	(330)	(1,743)	(1,923)	
N - Grants 94%	(1,399,343)	(1,416,191)	(7,469,404)	(8,242,552)	
P - Debt Service 0%	-	-	-	-	
S - Inter-agency Agreements 0%	-	-	-	-	
Environmental Specialist 5					
Salary	100,490				
Benefits @ 31.3%	31,453				
Total	131,943				

MTCA Capital Reductions

DOR Revenue Estimate x 1.0 (1,800,000) (1,800,000) (9,600,000) (10,700,000)

Expenditure Reduction		FY 2027	2025-27	2027-29	2029-31
FTEs					
		(0.18)	(0.09)	(0.48)	(0.53)
A - Salaries	1%	(18,083)	(18,083)	(96,442)	(107,493)
B - Benefits	0%	(5,485)	(5,485)	(29,251)	(32,603)
C - Contracts	19%	(346,282)	(346,282)	(1,846,840)	(2,058,457)
E - Goods and Services	1%	(9,702)	(9,702)	(51,742)	(57,671)
G - Travel	0%	(182)	(182)	(972)	(1,084)
J - Equipment	0%	(19)	(19)	(102)	(114)
N - Grants	79%	(1,420,247)	(1,420,247)	(7,574,651)	(8,442,579)
P - Debt Service	0%	-	-	-	-
S - Inter-agency Agreements	0%	-	-	-	-
Environmental Specialist 5					
Salary	100,490				
Benefits @ 31.3%	31,453				
Total	131,943				

DOR Revenue Estimate x 1.25 (2,250,000) (2,250,000) (12,000,000) (13,375,000)

Expenditure Reduction		FY 2027	2025-27	2027-29	2029-31
FTEs					
		(0.22)	(0.11)	(0.60)	(0.66)
A - Salaries	1%	(22,604)	(22,604)	(120,553)	(134,366)
B - Benefits	0%	(6,856)	(6,856)	(36,564)	(40,753)
C - Contracts	19%	(432,853)	(432,853)	(2,308,549)	(2,573,071)
E - Goods and Services	1%	(12,127)	(12,127)	(64,678)	(72,088)
G - Travel	0%	(228)	(228)	(1,216)	(1,355)
J - Equipment	0%	(24)	(24)	(127)	(142)
N - Grants	79%	(1,775,309)	(1,775,309)	(9,468,313)	(10,553,224)
P - Debt Service	0%	-	-	-	-
S - Inter-agency Agreements	0%	-	-	-	-
Environmental Specialist 5					
Salary	100,490				
Benefits @ 31.3%	31,453				
Total	131,943				

DOR Revenue Estimate x 1.50 (2,700,000) (2,700,000) (14,400,000) (16,050,000)

Expenditure Reduction		FY 2027	2025-27	2027-29	2029-31
FTEs					
		(0.27)	(0.13)	(0.71)	(0.80)
A - Salaries	1%	(27,124)	(27,124)	(144,663)	(161,239)
B - Benefits	0%	(8,227)	(8,227)	(43,877)	(48,904)
C - Contracts	19%	(519,424)	(519,424)	(2,770,259)	(3,087,685)
E - Goods and Services	1%	(14,552)	(14,552)	(77,613)	(86,506)
G - Travel	0%	(274)	(274)	(1,459)	(1,626)
J - Equipment	0%	(29)	(29)	(153)	(170)
N - Grants	79%	(2,130,371)	(2,130,371)	(11,361,976)	(12,663,869)
P - Debt Service	0%	-	-	-	-
S - Inter-agency Agreements	0%	-	-	-	-
Environmental Specialist 5					
Salary	100,490				
Benefits @ 31.3%	31,453				
Total	131,943				

Individual State Agency Fiscal Note

Bill Number: 5898 SB	Title: Aircraft fuel tax proceeds	Agency: 462-Pollution Liability Insurance Program
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

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

Estimated Capital Budget Impact:

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

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.

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Part II: Narrative Explanation

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

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

Senate Bill 5898 (is the companion to House Bill 2592 and) requires money collected on aircraft fuel from the Hazardous Substance Tax (HST), the Petroleum Products Tax (PPT), and oil spill taxes be deposited into the aeronautics account. This legislation intends to source the aeronautics account from these revenue sources rather than the state general fund.

(The following summary addresses the fiscal impacts on the Pollution Liability Insurance Agency [PLIA] and the PPT.)

Section 3: amends RCW 82.23A.020(2) with a new subsection directing the tax from aircraft fuel to be deposited in the aeronautics account identified in RCW 82.42.090. PLIA relies on the Department of Revenue (DOR) assumptions to identify the amounts transferred from 544-Pollution Liability Program Trust Account. These amounts may impact PLIA's operational expenditures and extend the revenue collection period, which is when the account balance is below \$30 million. The taxable volume of PPT increases with the demand for aviation fuels.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

This legislation may impact the frequency of fund transfer amounts to PLIA's other accounts. If the Petroleum Products Tax revenue collection mechanism is extended to support the transfer to the aviation fuels account, then PLIA may experience delays in transferring funds to the agency's other accounts.

PLIA makes transfers from the 544-Pollution Liability Insurance Program Trust Account to 545-Heating Oil Pollution Liability Trust Account and 20T-PLIA Underground Storage Tank Revolving Account. All of these accounts directly support and fund programs which directly assist customers pursuing remediation and paying for these costs.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

This legislation would extend the period of Petroleum Products Tax (PPT) revenue collection and may impact the frequency and timely fund transfer to the agency's programs.

The PPT requires revenue collection when the account balance is below \$30 million. With the transfer of amounts identified in the Department of Revenue's assumptions, and based on potential increased demand for aviation fuels, the extended collection period may impact PLIA's timely transfer to accounts 545-Heating Oil Pollution Liability Trust Account and 20T-PLIA Underground Storage Tank Revolving Account which fund PLIA's other programs. This would affect the agency's funding of necessary cleanup projects and cause delays in the start of certain projects resulting in backlogs and longer wait times for customers pursuing remediation.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

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

III. B - Expenditures by Object Or Purpose

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

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

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

IV. B - Expenditures by Object Or Purpose

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

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

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

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

NONE

PLIA's 544-Pollution Liability Insurance Program Trust Account is used for the agency's operating expenditures and some program funding. PLIA makes transfers to 20T-PLIA Underground Storage Tank Revolving Account which is dedicated to capital budget appropriated projects. The agency has experienced increased interest and application to this program and anticipates backlog to funding if program funding is affected.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.