

Cost Analysis

WAC 308-109-010, 020, 030

Rules Concerning Motorcycle Safety Subsidy Program

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*Prepared by the
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Background

In 2019 the legislature passed updates to **RCW 46.81A.020 Powers and duties of director, department** which, among other changes, required the Department of Licensing (DOL) to adopt rules to administer the motorcycle operator subsidy program. The rules may address:

1. Testing costs
2. Offer financial need-based subsidies for motorcycle training, and
3. Employ other strategies to improve access to motorcycle ridership

The DOL currently contracts with motorcycle safety educators in Washington State, providing subsidies to students and helping to ensure the availability of motorcycle safety education classes throughout the state. Any rulemaking would be a change to the way that has been done in the past. The DOL invited these business owners to participate in a series of rulemaking workshops to draft rule language. Over half the businesses were represented in the meetings. Once the group was concluded, the draft rule language and an explanation of foreseen impacts were emailed to the mailing list of motorcycle safety educators.

Conducting a Cost Analysis

Impacts:

Currently only classes, not testing are subsidized by the DOL. The schools are given a set amount of subsidy funds that is then applied to some classes or some seats in classes, resulting in students vying for the discounted seats. Refresher courses and advanced courses are currently subsidized at a lower rate which means there is less incentive for riders to refresh their skills after lapses in riding, to advance their skills if they are planning to increase their riding, or ride in different environments. The proposed rule would:

- Allow businesses to subsidize each seat in a class at an equal rate until subsidy funds are no longer available in approved novice (which may include testing), intermediate, or advanced courses
- Reimburse businesses until allotted subsidy dollars are no longer available
- Offer subsidy funds based on the number of students trained in the previous year, and weigh numbers on future training projections when new schools open or other factors determine a need to examine future trends

Minor Cost Threshold:

All business owners will be required to comply with the proposed rules. The threshold defined in Washington State's Regulatory Fairness Act defines "minor cost" as less than three-tenths of one percent of annual revenue or income (.003%), or 100 dollars, whichever is greater, or 1% of annual payroll.

Analyze Cost of Compliance:

During the rule writing workshops, owners discussed the minimal impact that this model would impose on businesses and that it would not impose any costs. An email was then sent out to all of the business impacted with the foreseen impacts outlined and the draft rule language. They were given over three weeks to respond. Responding businesses reported that the rules would not have an economic impact on their business. There were two responses that conveyed concerns about implementation and procedures. The DOL is committed to working collaboratively with the businesses to implement the rules and minimize the amount of labor, material, and resources required to request reimbursement as much as possible.

Summary

The DOL will file the CR-102 noting that these rules do not impose any cost, however minor, on businesses required to comply with them.