

Multiple Agency Fiscal Note Summary

Bill Number: 2000 HB	Title: Marijuana agreemnts w/tribes
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Estimated Cash Receipts

Agency Name	2015-17		2017-19		2019-21	
	GF- State	Total	GF- State	Total	GF- State	Total
Liquor Control Board	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Total \$	0	0	0	0	0	0

Estimated Expenditures

Agency Name	2015-17			2017-19			2019-21		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.4	86,700	86,700	.4	84,200	84,200	.4	84,200	84,200
Liquor Control Board	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total	0.4	\$86,700	\$86,700	0.4	\$84,200	\$84,200	0.4	\$84,200	\$84,200

Estimated Capital Budget Impact

NONE

Prepared by: Chris Stanley, OFM	Phone: (360) 902-9810	Date Published: Final 2/13/2015
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

ENPID: 39603

Individual State Agency Fiscal Note

Bill Number: 2000 HB	Title: Marijuana agreemnts w/tribes	Agency: 075-Office of the Governor
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Part I: Estimates

No Fiscal Impact

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: Thamas Osborn	Phone: 360-786-7129	Date: 02/09/2015
Agency Preparation: Stephanie Lidren	Phone: 360-902-3056	Date: 02/09/2015
Agency Approval: Aaron Butcher	Phone: 360-902-0406	Date: 02/09/2015
OFM Review: Regan Hesse	Phone: (360) 902-0650	Date: 02/11/2015

Part II: Narrative Explanation

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

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

Section 1 of this bill authorizes the Governor to enter into agreements concerning the regulation of marijuana. There is no fiscal impact to the Governor's Office.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Department of Revenue Fiscal Note

Bill Number: 2000 HB	Title: Marijuana agreemnts w/tribes	Agency: 140-Department of Revenue
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.4	0.4	0.4	0.4	0.4
Account					
GF-STATE-State 001-1	44,600	42,100	86,700	84,200	84,200
Total \$	44,600	42,100	86,700	84,200	84,200

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: Thamas Osborn	Phone: 360-786-7129	Date: 02/09/2015
Agency Preparation: Steve Smith	Phone: 360-534-1518	Date: 02/12/2015
Agency Approval: Don Gutmann	Phone: 360-534-1510	Date: 02/12/2015
OFM Review: Kathy Cody	Phone: (360) 902-9822	Date: 02/13/2015

Request # 2000-1-1

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 authorizes the Governor to enter into agreements concerning the regulation of marijuana. These agreements may include provisions pertaining to lawful commercial production, processing, sale, and possession of marijuana for both recreational and medical purposes. Agreements may also cover marijuana-related research, law enforcement, and taxation.

The bill delegates compacting authority to the Liquor Control Board (the Board) who must consult with the Department of Revenue (Department) or the Governor when necessary. The bill does not require that any specific tribal tax be levied, nor specify requirements regarding age, testing, labeling, or packaging.

However, the state marijuana excise tax will not apply to marijuana activities governed by tribal marijuana agreements; state and local sales and use taxes are also excluded.

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.

This proposal grants the Governor the authority to enter into an agreement with the tribes. At this time it is not known when or if an agreement will be reached. This proposal has no direct impact on state revenues.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

ASSUMPTIONS:

Expenditures assume one or more marijuana agreements will be entered into with Indian tribes.

FIRST YEAR COSTS:

The Department will incur total costs of \$44,600 in Fiscal Year 2016. These costs include:

- Labor Costs - Time and effort equates to 0.4 FTE.
- Increased stakeholder work, technical advice and interpretation arising during the implementation marijuana agreements with Indian tribes.

SECOND YEAR COSTS:

The Department will incur total costs of \$42,100 in Fiscal Year 2017. These costs include:

- Labor Costs - Time and effort equates to 0.4 FTE.
- Continued technical advice and interpretation in the administration marijuana issues related to agreements with Indian tribes.

ONGOING COSTS:

Ongoing costs for the 2017-2019 Biennium equal \$84,200 and include similar activities described in the second year costs. Time and effort equates to 0.4 FTE.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.4	0.4	0.4	0.4	0.4
A-Salaries and Wages	28,400	28,400	56,800	56,800	56,800
B-Employee Benefits	8,500	8,500	17,000	17,000	17,000
E-Goods and Other Services	5,100	4,600	9,700	9,200	9,200
J-Capital Outlays	2,600	600	3,200	1,200	1,200
Total \$	\$44,600	\$42,100	\$86,700	\$84,200	\$84,200

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

Job Classification	Salary	FY 2016	FY 2017	2015-17	2017-19	2019-21
TAX POLICY SP 3	69,756	0.3	0.3	0.3	0.3	0.3
TAX POLICY SP 4	75,080	0.1	0.1	0.1	0.1	0.1
Total FTE's	144,836	0.4	0.4	0.4	0.4	0.4

Part IV: Capital Budget Impact

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

NONE

None.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

No rule-making required.

Individual State Agency Fiscal Note

Bill Number: 2000 HB	Title: Marijuana agreemnts w/tribes	Agency: 195-Liquor Control Board
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
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- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Thamas Osborn	Phone: 360-786-7129	Date: 02/09/2015
Agency Preparation: Aaron Hanson	Phone: 360-664-1701	Date: 02/11/2015
Agency Approval: Michael Kashmar	Phone: 360-664-1690	Date: 02/11/2015
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 02/11/2015

Part II: Narrative Explanation

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

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

Section 2 (1) - Gives the governor the authority to enter into agreements with federally recognized Indian tribes concerning marijuana. The agreements may include, but are not limited to, the following provisions and subject matter:

- (a) - Criminal and civil law enforcement
- (b) - Regulatory issues related to the commercial production, processing, sale, and possession of marijuana, and processed marijuana products, both for medical and recreational purposes
- (c) - Medical and pharmaceutical research involving marijuana
- (d) - Taxation
- (e) - Any tribal immunities or preemption of state law regarding the production, processing, or marketing of marijuana
- (f) - Dispute resolution, including the use of mediation or other non-judicial process

Section 2 (3) - Allows the governor to delegate the power to negotiate marijuana agreements to the Liquor Control Board.

Section 3 - States the taxes, fees, assessments, and other charges imposed by RCW 69.50 do not apply to commercial activities related to the production, processing, sale, and possession of marijuana, useable marijuana, marijuana concentrates, and marijuana infused products covered by an agreement entered into under section 2 of this act.

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.

Should the governor enter into agreements or delegate the power to the Liquor Control Board to negotiate marijuana agreements with federally recognized Indian tribes, it is assumed there will be an impact to the Board's cash receipts as a result of licensing fees and taxation but the extent of the impact is indeterminate at this time.

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.

Should the governor enter into agreements or delegate the power to the Liquor Control Board to negotiate marijuana agreements with federally recognized Indian tribes, it is assumed there will be an expenditure impact to the Board to negotiate and carry out such agreements but the extent of the impact is indeterminate at this time.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.