

Multiple Agency Fiscal Note Summary

Bill Number: 1443 HB	Title: Cannabis industry/equity
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Estimated Cash Receipts

NONE

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 the Governor	Fiscal note not available											
Office of Attorney General	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Commerce	.0	0	0	321,412	.0	0	0	317,412	.0	0	0	318,728
Liquor and Cannabis Board	.2	0	0	38,307	.0	0	0	0	.0	0	0	0
Department of Health	Fiscal note not available											
Total \$	0.2	0	0	359,719	0.0	0	0	317,412	0.0	0	0	318,728

Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	Fiscal note not available								
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Liquor and Cannabis Board	.0	0	0	.0	0	0	.0	0	0
Department of Health	Fiscal note not available								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

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Phone:
(360) 902-9810

Date Published:
Preliminary 2/11/2021

Individual State Agency Fiscal Note

Bill Number: 1443 HB	Title: Cannabis industry/equity	Agency: 100-Office of Attorney General
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Kyle Raymond	Phone: 360-786-7190	Date: 02/01/2021
Agency Preparation: Bruce Turcott	Phone: (360) 586-2738	Date: 02/03/2021
Agency Approval: Dianna Wilks	Phone: 360-709-6463	Date: 02/03/2021
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 02/05/2021

Part II: Narrative Explanation

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

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

No fiscal impact. This legislation is not expected to generate any costs or savings for the Attorney General's Office (AGO). The AGO completed an analysis for legal services and fiscal impact from the most likely state agencies.

The AGO Agriculture & Health Division (AHD) has reviewed this bill and determined it will not significantly increase the division's workload in representing the Department of Commerce (COM). AHD assumes minimal legal services will be required to assist COM to set up & administer the Cannabis Social Equity Technical Assistance Competitive Grant pilot program (CSETACG) in Section 1. AHD assumes the pilot program will be continued into future biennia. Additional legal services will be provided within existing resources. Costs are not included in this request.

The AGO Government Compliance & Enforcement Division (GCE) has reviewed this bill and determined it will not increase or decrease the division's workload in representing the Liquor & Cannabis Board (LCB). This bill makes a number of changes to the CSETACG program under RCW 43.330.54, which is administered by COM, including the creation of a pilot program to assist cannabis retailers. It extends to July 1, 2029 the deadline in RCW 69.50.335(1) to issue or reissue cannabis retailer licenses that were previously forfeited or not issued. It also authorizes the LCB, in consultation with the Commission on African American Affairs, to create criteria to define the term "social equity applicant." Finally, this bill will expand the scope of issues to be considered by the legislative task force on social equity created in RCW 69.50.336. GCE does not anticipate that any of these changes will result in a workload increase for GCE, and LCB concurs. New legal services are nominal and costs are not included in this request.

The AGO Licensing & Administrative Law Division (LAL) has reviewed this bill and determined it will not significantly increase the division's workload in representing the LCB. This bill authorizes LCB to adopt additional criteria for social equity applicants by rule. Legal advice for rulemaking will be provided within existing resources. New legal services are nominal and costs are not included in this request.

The Solicitor General's Office has reviewed this bill and determined it will not significantly increase the division's workload. SGO will provide representation for any litigation arising out of the enactment of this law with existing resources. New legal services are nominal and costs are not included in this request.

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: 1443 HB	Title: Cannabis industry/equity	Agency: 103-Department of Commerce
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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
Account					
Dedicated Marijuana Account-State 315-1	162,706	158,706	321,412	317,412	318,728
Total \$	162,706	158,706	321,412	317,412	318,728

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: Kyle Raymond	Phone: 360-786-7190	Date: 02/01/2021
Agency Preparation: Karen McArthur	Phone: 360-725-4027	Date: 02/08/2021
Agency Approval: Joyce Miller	Phone: 360-725-2710	Date: 02/08/2021
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 02/09/2021

Part II: Narrative Explanation

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

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

Section 1(4) directs the Department of Commerce to create a pilot program by August 2, 2021, to provide technical assistance to qualified cannabis retailers.

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.

Section 1 (4)(a) directs the department to allocate a minimum of \$150,000 for the technical assistance pilot program. The department estimates the following costs in providing technical assistance:

1.0 FTE Commerce Specialist 3 to provide technical assistance to cannabis retailers to include infrastructure projects, technology upgrades, incubator and mentorship programs, and supplies as well as monitoring grant recipients to demonstrate completion of their project within 12 months of receiving a grant.

Salaries and Benefits

FY22-FY27: \$104,614 per fiscal year

Goods and Services, Travel & Equipment

FY22: \$22,523

FY23-FY25: \$18,523 per fiscal year

FY26: \$19,839

FY27: \$18,523

Intra-agency Reimbursements:

FY22-FY27: \$35,569 per fiscal year

Note: Standard goods and services costs include supplies and materials, employee development and training, and central services charges.

Intra-agency Reimbursement-Agency administration costs (e.g., payroll, HR, IT,) are funded under a federally approved cost allocation plan.

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Total Costs:

FY22: \$162,706

FY23-FY25: \$158,706 per fiscal year

FY26: \$160,022

FY27: \$158,706

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
315-1	Dedicated Marijuana Account	State	162,706	158,706	321,412	317,412	318,728
Total \$			162,706	158,706	321,412	317,412	318,728

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years					
A-Salaries and Wages	76,416	76,416	152,832	152,832	152,832
B-Employee Benefits	28,198	28,198	56,396	56,396	56,396
C-Professional Service Contracts					
E-Goods and Other Services	12,523	12,523	25,046	25,046	25,046
G-Travel	6,000	6,000	12,000	12,000	12,000
J-Capital Outlays	4,000		4,000		1,316
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	35,569	35,569	71,138	71,138	71,138
9-					
Total \$	162,706	158,706	321,412	317,412	318,728

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: 1443 HB	Title: Cannabis industry/equity	Agency: 195-Liquor and Cannabis Board
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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	0.3	0.0	0.2	0.0	0.0
Account					
Dedicated Marijuana Account-State 315-1	38,307	0	38,307	0	0
Total \$	38,307	0	38,307	0	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: Kyle Raymond	Phone: 360-786-7190	Date: 02/01/2021
Agency Preparation: Thea McNally	Phone: 360-664-4552	Date: 02/04/2021
Agency Approval: Aaron Hanson	Phone: 360-664-1701	Date: 02/04/2021
OFM Review: Ramona Nabors	Phone: (360) 902-0547	Date: 02/04/2021

Part II: Narrative Explanation

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

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

Section 2 of the bill would require the Liquor and Cannabis Board (Board) to draft new rules around the requirements for social equity applicants after consultation with various commissions and advocates.

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.

No cash receipt impact

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.

Section 2 would require new rules to be drafted around social equity applicants. The work needed to be performed would include complex rule drafting, extensive stakeholder engagement over a protracted period of time that includes multiple stakeholders with competing interests. This would require the additional one-time efforts of a Regulatory Analyst 3.

FY2022: 0.3 FTE Regulatory Analyst 3 - \$38,307/yr (\$37,476 salary/benefits, \$831 in associated costs).

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
315-1	Dedicated Marijuana Account	State	38,307	0	38,307	0	0
Total \$			38,307	0	38,307	0	0

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.3		0.2		
A-Salaries and Wages	27,940		27,940		
B-Employee Benefits	9,536		9,536		
C-Professional Service Contracts					
E-Goods and Other Services	789		789		
G-Travel					
J-Capital Outlays	42		42		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	38,307	0	38,307	0	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
Regulatory Analyst 3	93,132	0.3		0.2		
Total FTEs		0.3		0.2		0.0

III. D - Expenditures By Program (optional)

Program	FY 2022	FY 2023	2021-23	2023-25	2025-27
Board Division (010)	38,307		38,307		
Total \$	38,307		38,307		

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

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

Section 2 of the bill would require new rules to be drafted around social equity applicants with extensive stakeholder engagement over a protracted period of time that includes multiple stakeholders with competing interests.