

Multiple Agency Fiscal Note Summary

Bill Number: 1414 HB	Title: Marijuana licensing/zoning
-----------------------------	--

Estimated Cash Receipts

Agency Name	2021-23			2023-25			2025-27		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of Attorney General	0	0	1,613,000	0	0	642,000	0	0	240,000
Liquor and Cannabis Board	0	0	(581,401)	0	0	0	0	0	0
Liquor and Cannabis Board	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Total \$	0	0	1,031,599	0	0	642,000	0	0	240,000

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	Non-zero but indeterminate cost and/or savings. Please see discussion.					
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 Attorney General	6.0	0	0	1,613,000	2.4	0	0	642,000	.9	0	0	240,000
Liquor and Cannabis Board	1.0	0	0	1,870,759	1.0	0	0	839,654	1.0	0	0	437,654
Total \$	7.0	0	0	3,483,759	3.4	0	0	1,481,654	1.9	0	0	677,654

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

Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Liquor and Cannabis Board	.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	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Ramona Nabors, OFM	Phone: (360) 902-0547	Date Published: Final 2/11/2021
--	---------------------------------	---

Individual State Agency Fiscal Note

Bill Number: 1414 HB	Title: Marijuana licensing/zoning	Agency: 100-Office of Attorney General
-----------------------------	--	---

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
Legal Services Revolving Account-State 405-1	639,000	974,000	1,613,000	642,000	240,000
Total \$	639,000	974,000	1,613,000	642,000	240,000

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	4.8	7.2	6.0	2.4	0.9
Account					
Legal Services Revolving Account-State 405-1	639,000	974,000	1,613,000	642,000	240,000
Total \$	639,000	974,000	1,613,000	642,000	240,000

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: Stacia Hollar	Phone: (360) 664-0865	Date: 02/05/2021
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 02/05/2021
OFM Review: Ramona Nabors	Phone: (360) 902-0547	Date: 02/11/2021

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 amends RCW 69.50.331 regarding objections of specified local governments to issuance of marijuana licenses.

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.

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is the Liquor & Cannabis Board. The Attorney General's Office (AGO) will bill all clients for legal services rendered.

These cash receipts represent the AGO's authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agencies' fiscal note. Appropriation authority is necessary in the AGO budget.

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.

Attorney General's Office (AGO) Agency Assumptions:

1. This bill is assumed effective 90 days after the end of the 2021 legislative session.
2. Total workload impact in this request includes standard assumption costs for good & services, travel, and capital outlays for all FTE identified.
3. Agency administration support FTE are included in the tables below, using a Management Analyst 5 as a representative classification.

Assumptions for the AGO Government Compliance & Enforcement Division's (GCE) Legal Services for the Liquor and Cannabis Board (LCB):

1. The AGO would bill the LCB for legal services based on the enactment of this bill.
2. This bill would prohibit the LCB from issuing or renewing a marijuana license when a local authority or tribal government has objected in writing because the jurisdiction's local zoning ordinances prohibit the use of the property for activities authorized under the license.
3. The LCB currently licenses approximately 1,890 entities that will be subject to the provisions of this bill. Based on the number of objections LCB has received in the past relating to a local authority's zoning limitations or prohibitions, LCB assumes that 276 licenses will be cancelled as a result of existing zoning regulations. They assume that one half, or 138 licenses will be cancelled during FY 2022 and the remaining 138 licenses would be

cancelled during FY 2023. LCB further assume that beginning in 2024, approximately 15 additional licenses would be cancelled each FY as a result of new zoning regulations passed by local authorities. GCE is in agreement with these assumptions.

4. GCE assumes all of the licensees will seek a hearing to challenge the cancellation of their licenses.
 5. GCE assumes that many of the cases will be resolved on summary judgment, each case requiring 30 Assistant Attorney General (AAG) hours. Based on current workloads and Paralegal (PL) utilization, GCE assumes to utilize PL services for these new administrative hearings at a ratio of 1 PL hour for 3 AAG hours, or 10 hours per case.

6. GCE assumes that the license cancellations litigated in FY 2022 and FY 2023 will generate 4,140 AAG hours (138 x 30) and 1,380 PL hours of legal services each year. Beginning in FY 2024 and each year thereafter, GCE assumes that the litigation relating to these license cancellations will generate 450 AAG hours (15 x 30) and 150 PL hours of legal services.

7. GCE assume that 30 percent of the cases resolved at hearing will result in a judicial review during the following FY. GCE assumes to receive 42 new judicial review cases in each of FY 2023 and FY 2024, and five new judicial review cases each FY beginning FY 2025. Each judicial review will utilize 60 AAG hours. As a result, the judicial reviews will generate new legal services as follows:

- FY 2023 – 2,520 AAG hours (42 x 60);
- FY 2024 – 2,520 AAG hours (42 x 60);
- FY 2025, FY 2026 and FY 2027 – 300 AAG hours (5 x 60);

8. GCE assumes that between 10 percent and 15 percent of the judicial reviews will result in challenges to the court of appeals. The majority of the work will occur during the year following the judicial review. GCE assumes to receive six new appeals in FY 2024 and FY 2025, and one new appeal in FY 2026 and FY 2027. Each appeal will utilize 80 AAG hours. As a result, appeals will generate new legal services as follows:

- FY 2024 and FY 2025 – 480 AAG hours (6 x 80);
- FY 2026 and FY 2027 – 80 AAG hours (1 x 80).

9. AGO Licensing & Administrative Law Division (LAL) division will provide a small amount of ongoing legal services for advice on interpretation and implementation beginning in FY 2021. These costs are included.

10. Total workload impact:

- FY 2022: 2.3 AAG, 1.15 Legal Assistant (LA) and 0.77 PL at a cost of \$693,000.
- FY 2023: 3.7 AAG, 1.85 LA and 0.77 PL at a cost of \$974,000.
- FY 2024: 1.92 AAG, 0.96 LA and 0.08 PL at a cost of \$470,000.
- FY 2025: 0.68 AAG, 0.34 LA and 0.08 PL at a cost of \$172,000.
- FY 2026 and FY 2027: 0.46 AAG, 0.23 LA and 0.08 PL at a cost of \$120,000.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
405-1	Legal Services Revolving Account	State	639,000	974,000	1,613,000	642,000	240,000
Total \$			639,000	974,000	1,613,000	642,000	240,000

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	4.8	7.2	6.0	2.4	0.9
A-Salaries and Wages	416,000	637,000	1,053,000	422,000	156,000
B-Employee Benefits	133,000	202,000	335,000	133,000	50,000
E-Goods and Other Services	78,000	120,000	198,000	78,000	30,000
G-Travel	5,000	7,000	12,000	4,000	2,000
J-Capital Outlays	7,000	8,000	15,000	5,000	2,000
Total \$	639,000	974,000	1,613,000	642,000	240,000

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
Assistant Attorney General	108,600	2.3	3.7	3.0	1.3	0.5
Legal Assistant 3	54,108	1.2	1.9	1.5	0.7	0.2
Management Analyst 5	88,644	0.6	0.9	0.8	0.3	0.1
Paralegal 2	69,264	0.8	0.8	0.8	0.1	0.1
Total FTEs		4.8	7.2	6.0	2.4	0.9

III. D - Expenditures By Program (optional)

Program	FY 2022	FY 2023	2021-23	2023-25	2025-27
Government Compliance & Enforcement Division (GCE)	639,000	974,000	1,613,000	642,000	240,000
Total \$	639,000	974,000	1,613,000	642,000	240,000

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: 1414 HB	Title: Marijuana licensing/zoning	Agency: 195-Liquor and Cannabis Board
-----------------------------	--	--

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
Dedicated Marijuana Account-State 315-1	(291,391)	(290,010)	(581,401)		
Total \$	(291,391)	(290,010)	(581,401)		

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

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
Account					
Dedicated Marijuana Account-State 315-1	797,932	1,072,827	1,870,759	839,654	437,654
Total \$	797,932	1,072,827	1,870,759	839,654	437,654

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: 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: 02/07/2021

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.

The bill prohibits the Liquor and Cannabis Board (LCB) from issuing a new or renewed marijuana license for any premises located in an area for which the LCB has received a written objection from an eligible local jurisdiction stating the marijuana license violates local zoning ordinances.

Sec. 1 (7) The LCB may not issue a new or renewed marijuana license for any premises in which the city, town, county, port authority, or tribal government of a federally recognized Indian tribe, as applicable, has provided a written objection under subsection (8) of this section stating that the jurisdiction's local zoning ordinances prohibit the use of the property for activities authorized under the terms of the applicable marijuana license.

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.

There are currently 1,830 licensed marijuana producers, processors, producer/processors, and retailers that would be subject to the provisions of this bill. Based on the number of objection letters from local authorities that the Liquor and Cannabis Board (LCB) has received in the past, it is assumed 15% (275) of the existing licensees would have their licenses canceled by local authority objection. Of the 275 cancelations, half are assumed to be canceled in FY2022 and half would be canceled in FY2023. In FY2024 and annually thereafter it is assumed that 15 licensees will have their licenses canceled each year but the revenue loss will be offset by new licensees entering the marketplace.

Based on the current ratio of marijuana license types, the LCB assumes 53% (146) of the licenses canceled would be producer/processor and the remaining 47% (129) would be either producer, processor, or retailer. The annual fee for the producer/processor license is \$2,762. The annual fee for the producer, processor, and retailer licenses is \$1,381.

Using these assumptions, the negative cash receipt impact from the loss of license fee revenue would be:

FY2022: $(73 \times \$2,762) + (65 \times \$1,381) = \$291,391$

FY2023: $(73 \times \$2,762) + (64 \times \$1,381) = \$290,010$

NOTE: In addition to the loss of license fee revenue, there is expected to be a loss of marijuana excise tax revenue due to the assumed reduction in the number of retail licensees. However, the cash receipt impact from the loss of excise tax revenue is indeterminate as the LCB is unable to estimate the amount of sales that may shift to remaining retail licensees versus the amount of sales that may shift to the unregulated market.

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.

There are currently 1,830 licensed marijuana producers, processors, producer/processors, and retailers that would be subject to the provisions of this bill. Based on the number of objection letters from local authorities that the

Liquor and Cannabis Board (LCB) has received in the past, it is assumed 15% (275) of the existing licensees would have their licenses canceled by local authority objection. Of the 275 cancelations, half are assumed to be canceled in FY2022 and half would be canceled in FY2023. Beginning in FY2024, it is assumed that 15 additional licenses would be canceled each year as a result of the zoning regulations passed by local authorities. The LCB assumes all licensees would appeal the license cancelation, and the work of 1 Licensing Adjudications Coordinator would be necessary to handle the influx.

LICENSING DIVISION

FY 2022+: 1.0 FTE Program Specialist 3 - \$98,827/yr (\$96,057 salary/benefits, \$2,770 in associated costs).
 Onetime costs in FY22 of \$6,105 for equipment purchases.

Additionally, the Office of the Attorney General assumes a workload impact for hearings related to the licensees challenging the cancelation of their license.

ATTORNEY GENERAL COSTS

FY 2022: \$693,000.
 FY 2023: \$974,000.
 FY 2024: \$470,000.
 FY 2025: \$172,000.
 FY 2026+: \$120,000

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	797,932	1,072,827	1,870,759	839,654	437,654
Total \$			797,932	1,072,827	1,870,759	839,654	437,654

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27	
FTE Staff Years	1.0	1.0	1.0	1.0	1.0	
A-Salaries and Wages	69,264	69,264	138,528	138,528	138,528	
B-Employee Benefits	26,793	26,793	53,586	53,586	53,586	
C-Professional Service Contracts						
E-Goods and Other Services	695,735	976,630	1,672,365	647,260	245,260	
G-Travel						
J-Capital Outlays	6,140	140	6,280	280	280	
M-Inter Agency/Fund Transfers						
N-Grants, Benefits & Client Services						
P-Debt Service						
S-Interagency Reimbursements						
T-Intra-Agency Reimbursements						
9-						
Total \$		797,932	1,072,827	1,870,759	839,654	437,654

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
Program Specialist 3	69,264	1.0	1.0	1.0	1.0	1.0
Total FTEs		1.0	1.0	1.0	1.0	1.0

III. D - Expenditures By Program (optional)

Program	FY 2022	FY 2023	2021-23	2023-25	2025-27
Board Division (010)	693,000	974,000	1,667,000	642,000	240,000
Licensing Division (050)	104,932	98,827	203,759	197,654	197,654
Total \$	797,932	1,072,827	1,870,759	839,654	437,654

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: 1414 HB	Title: Marijuana licensing/zoning
-----------------------------	--

Part I: Jurisdiction

Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities: Planning staff and city administrative staff costs to review and write a written objection.
- Counties: Same as above.
- Special Districts: Port Authorities would have the same costs as detailed above.
- Specific jurisdictions only:
- Variance occurs due to: If there are marijuana licensees that are currently operating on premises where zoning ordinances prohibit the use of the property for activities authorized under the terms of the applicable marijuana license.

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: Number of local governments that would write objections is assumed to be 275 within FY22-FY23 but the distribution of the local governments is not known; costs would vary by jurisdiction and jurisdiction type.

Estimated revenue impacts to:

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

Estimated expenditure impacts to:

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

Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 02/01/2021
Leg. Committee Contact: Kyle Raymond	Phone: 360-786-7190	Date: 02/01/2021
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/01/2021
OFM Review: Ramona Nabors	Phone: (360) 902-0547	Date: 02/01/2021

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

This legislation would create a provision within the marijuana licenses application process that would not allow the Liquor and Cannabis Board (LCB) to issue new or renewed marijuana licenses in certain instances. New or renewed marijuana licenses may not be issued by the LCB for any premises located in an area for which the LCB received a written objection from a local government stating the jurisdiction's local zoning ordinances prohibit the use of the property for activities authorized under the terms of the applicable marijuana license.

Sec. 1 amends 69.50.331 (Uniform Controlled Substance Act, Application for License)

(1) Denial may be based on the existence of chronic illegal activity documented in objections submitted pursuant to subsection (8)(c) and (11) of this section.

(1)(v) No license of any kind may be issued to any entity when there is a written objection from a city, town, county, port authority, or tribal government of a federally recognized Indian tribe, pursuant to subsection (7) of this section.

(7) The Liquor and Cannabis Board (Board) may not issue a new or renewed marijuana license for any premises in which the city, town, county, port authority, or tribal government of a federally recognized Indian tribe, has provided a written objection stating that the jurisdiction's local zoning ordinances prohibiting the use of the property for activities authorized under the terms of the applicable marijuana license. The Board may rely on a written statement submitted to the Board, stating that the jurisdiction's local zoning ordinances either do or do not prohibit the use of the property for activities authorized under the terms of the marijuana license. Written statements for license applications may come from (a) the chief executive officer of a city or town within the jurisdiction's boundaries, (b) the county legislative authority outside of the boundaries incorporated city-limits, (c) a port authority if on property owned by the port authority, (d) a federally recognized tribal if on property within Indian country.

BACKGROUND:

In HB 2247 (2020), the Board stated that there are 1,830 licensed marijuana producers, processors, producers/processors, and retailers that would be subject to the provisions of the amendment to RCW 69.50.331.

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.

This legislation would have minor, but indeterminate, expenditure impacts to local governments contacting the Liquor and Cannabis Board (LCB) to inform the LCB that certain premises should not have marijuana licenses due to violations in local zoning ordinances.

LCB states that there are 1,830 licensed marijuana business in Washington State in 2020. Based on assumptions from the LCB in HB 2247 (2020), the number of objection letters from local authorities that the LCB has received in the past, it is assumed 15% (275) of the existing licensees would have their licenses canceled by local authority objection. From these 275 cancelations, half are assumed to be canceled in FY2022 and half would be canceled in FY2023. In FY2024 and annually thereafter it is assumed that 15 licensees will have their licenses canceled each year but the revenue loss will be offset by new licensees entering the marketplace.

There are assumed planning staff time to review zoning ordinances in order to determine that a marijuana license holder is in a premise with a zoning restriction outlined in RCW 69.50.331 and planning staff time for drafting the written proposal to the jurisdiction's administrative body. A city or county planning director could be required to sign-off on the determination made by the planning staff. The administrative officer or city manager would need to review and sign-off on the written submission to send to LCB.

Research and review of the marijuana license holder's zoning and writing up a finding for a city or county administrator would take less than 30-minutes. If a planning director needed to sign off on the review, it is assumed it would take less than 6-minutes. Preparing the written letter from the city or county administrator to LCB is assumed to be less than 30-minutes. The Local Government Fiscal Note Program 2021 Unit Cost Model assumes the following average salaries between different city and county planning positions and city and county administrative officers:

City Planning and Administrative Wages:

Professional-level City Planner: \$42.73

Directory of City Planning: \$59.02

City Manager/Administrator: \$65.86

City Costs per Written Objection:

$(\$42.73 \times .5 \text{ hours}) = \21.37

$(\$59.02 \times .1 \text{ hours}) = \5.90

$(\$65.86 \times .5 \text{ hours}) = \32.93

Total: \$60.20

County Planning and Administrative Wages:

Professional-level City Planner: \$36.78

Director of County Planning: \$52.58

County Administrative Officer: \$63.25

County Costs per Written Objection:

$(\$36.78 \times .5 \text{ hours}) = \18.39

$(\$52.58 \times .1 \text{ hours}) = \5.26

$(\$63.25 \times .5 \text{ hours}) = \31.63

Total: \$55.28

From the 275 cancellations assumed by LCB, half are assumed to be canceled in FY2022 and half would be canceled in FY2023. $(275 / 2 \text{ years}) = 137.5$ in FY22 and FY 23. For FY24 and beyond, the LCB assumes 15 objections would be filed by local government authorities. However the distribution of which local governments would be submitting the written objections is unknown. If the objections all came from the most expensive jurisdiction (cities) the following would be the maximum expenses incurred as a result of this legislation :

FY2022: $137 \times \$60.20 = \$8,247.40$

FY2023: $138 \times \$60.20 = \$8,307.60$

Every FY starting FY2024: $15 \times \$60.20 = \903.00

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.

The revenue impact for this legislation is indeterminate, but could be significant, depending on the amount of marijuana excise tax that would be lost due to few marijuana licensee that are taxed. The total amount of the local government tax revenue impact is unknown because the types of licenses that would be revoked as a result of this bill would vary by jurisdictions .

The Liquor and Cannabis Board assumes that, based on the current ratio of marijuana licenses issued, 53% (146) of the licenses would be producer/processor and the remaining 47% (129) would be either producer, processor, or retailer.

SOURCES:

Liquor and Cannabis Board

Liquor and Cannabis Board, Fiscal Note HB 2247 (2020)

Local Government Fiscal Note Program, 2021 Unit Cost Model

Spokane County Planning Department