

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1210 S HB	<b>Title:</b> Cannabis terminology
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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
Liquor and Cannabis Board	.1	0	0	20,442	.0	0	0	0	.0	0	0	0
Department of Health	.0	0	0	48,000	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>0.1</b>	<b>0</b>	<b>0</b>	<b>68,442</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Liquor and Cannabis Board	.0	0	0	.0	0	0	.0	0	0
Department of Health	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Breakout

NONE

<b>Prepared by:</b> Danielle Cruver, OFM	<b>Phone:</b> (360) 522-3022	<b>Date Published:</b> Final 2/15/2021
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1210 S HB	<b>Title:</b> Cannabis terminology	<b>Agency:</b> 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	0.1	0.0	0.1	0.0	0.0
<b>Account</b>					
Dedicated Marijuana Account-State 315-1	20,442	0	20,442	0	0
<b>Total \$</b>	20,442	0	20,442	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:

- 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:	Phone:	Date: 02/10/2021
Agency Preparation: Colin O Neill	Phone: (360) 522-2281	Date: 02/12/2021
Agency Approval: Aaron Hanson	Phone: 360-664-1701	Date: 02/12/2021
OFM Review: Ramona Nabors	Phone: (360) 902-0547	Date: 02/15/2021

## 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 - It is the intent of the legislature to make technical changes to replace the term "marijuana" with "cannabis" throughout the Revised Code of Washington. The legislature finds that the use of the term "marijuana" in the United States has discriminatory origins and should be replaced with the more scientifically accurate term "cannabis."

Section 44 affects RCW 66.08.050.

Sections 49-108 affect RCW chapter 69.50 (where the cannabis licenses are located).

Section 166 requires the Washington State Liquor and Cannabis Board ("Board") to use expedited rulemaking to replace the term "marijuana" with cannabis" throughout Title 314 of the WAC.

### 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.

#### INFORMATION TECHNOLOGY DIVISION:

There will be onetime costs to implement the bill as all public facing sites, systems, and service will need to be modified to remove the word "marijuana" and replace it with "cannabis."

Vendor costs to modify the iSeries and Enforcement Notebook: \$5,200

IT staff time: to modify internal reports and the ArcGIS application: 0.1 FTE IT App Development - Senior/Specialist - \$15,242 (\$15,135 salary/benefits, \$107 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	20,442	0	20,442	0	0
<b>Total \$</b>			20,442	0	20,442	0	0

**III. B - Expenditures by Object Or Purpose**

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.1		0.1		
A-Salaries and Wages	11,499		11,499		
B-Employee Benefits	3,636		3,636		
C-Professional Service Contracts	5,200		5,200		
E-Goods and Other Services	107		107		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	20,442	0	20,442	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
IT App Development - Senior/Specialist	114,984	0.1		0.1		
<b>Total FTEs</b>		0.1		0.1		0.0

**III. D - Expenditures By Program (optional)**

Program	FY 2022	FY 2023	2021-23	2023-25	2025-27
Information Technology Division (070)	20,442		20,442		
<b>Total \$</b>	20,442		20,442		

**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 166 requires the Washington State Liquor and Cannabis Board ("Board") to use expedited rulemaking to replace the term "marijuana" with cannabis" throughout Title 314 of the WAC.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1210 S HB	<b>Title:</b> Cannabis terminology	<b>Agency:</b> 303-Department of Health
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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
<b>Account</b>					
General Fund-Private/Local 001-7	7,000	0	7,000	0	0
Dedicated Marijuana Account-State 315-1	41,000	0	41,000	0	0
<b>Total \$</b>	48,000	0	48,000	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:

- 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:	Phone:	Date: 02/10/2021
Agency Preparation: Donna Compton	Phone: 360-236-4538	Date: 02/11/2021
Agency Approval: Carl Yanagida	Phone: 360-789-4832	Date: 02/11/2021
OFM Review: Danielle Cruver	Phone: (360) 522-3022	Date: 02/12/2021

## 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: The intent of this bill is to make technical changes to replace the term “marijuana” with “cannabis” throughout the Revised Code of Washington (RCW).

Section 28: Updates RCW 42.56.625 (Public Records Act—medical marijuana database) replacing “marijuana” with “cannabis.”

Section 125: Updates RCW 69.51A.230 (Medical marijuana authorization database—recognition cards) changing the name of the medical marijuana authorization database to medical cannabis authorization database.

Section 130: Updates RCW 69.51A.290 (Medical marijuana consultant certificate) changing the name of the profession from medical marijuana consultant to medical cannabis consultant.

### 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.*

Current law, RCW 43.70.250 (License fees for professions, occupations, and businesses.) requires that a business-licensing program be self-supporting and sufficient revenue be collected through fees to fund expenditures. The Department of Health (department) does not anticipate the need to increase fees to support the changes proposed in this bill. The department will monitor the program fund balance and adjust fees over a six (6) year period to ensure that fees are sufficient to cover all program expenditures.

Section 130: The medical cannabis consultant certification fees are collected and deposited in General Fund-Local (001-7), the department does not anticipate increasing fees as a result of the name change.

Section 125: The majority of the medical cannabis authorization database operating costs are funded through appropriation from the dedicated cannabis account. The one-dollar (\$1.00) fee collected when medical cannabis authorization cards are issued is set in RCW 69.51A.230. The department will still recognize card fees collected into the dedicated cannabis account.

### 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.*

#### Medical Cannabis Authorization Database

Section 125: The department will work with the current authorization database vendor to update the system. Work will include changing the term marijuana in the database, and updating authorization cards, training materials, and training videos for retailers. Total one-time costs in FY 2022 for the contract amendment will be \$41,000.

#### Integrated Licensing and Regulatory System (ILRS)

Section 130: During FY 2022, HTS staff will modify the department’s ILRS database to update the name of medical marijuana consultant certification to medical cannabis consultant certification. This will include

updating the credential name on the online and paper applications and forms, update workflows, and reports. Total one-time costs are \$2,000 in FY 2022.

**Healthcare Enforcement and Licensing Modernization Solution (HELMS)**

Section 3: This bill may have an adverse impact to the department’s HELMS project schedule. The HELMS project is under OCIO oversight. Such a delay increases risks to HELMS implementation and increases project costs due to an extended implementation timeline (e.g. staffing and associated costs) as well as contractor change order requests. To add this additional work to the current HELMS project, the department estimates additional contractor hours of 15 hours at a rate of \$262.50 per hour, in the amount of \$4,000, as well as staff time to support the project for a total of \$5,000 in FY 2022.

**TOTAL COSTS TO IMPLEMENT THIS BILL:**

FY 2022: \$48,000 (\$41,000 315-Dedicated Cannabis Account; \$7,000 001-7 Private/Local)

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-7	General Fund	Private/Local	7,000	0	7,000	0	0
315-1	Dedicated Marijuana Account	State	41,000	0	41,000	0	0
<b>Total \$</b>			<b>48,000</b>	<b>0</b>	<b>48,000</b>	<b>0</b>	<b>0</b>

**III. B - Expenditures by Object Or Purpose**

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years					
A-Salaries and Wages	2,000		2,000		
B-Employee Benefits					
C-Professional Service Contracts	44,000		44,000		
E-Goods and Other Services	2,000		2,000		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	<b>48,000</b>	<b>0</b>	<b>48,000</b>	<b>0</b>	<b>0</b>

**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**

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

Sections 112 to 132: Requires the department to amend existing medical marijuana rules to align with RCW. The department will incorporate these changes into the five-year rule review for chapters needing amendment.