

Individual State Agency Fiscal Note

Bill Number: 1642 HB	Title: Cannabis concentrates	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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1	0.0	0.1	0.0	0.0
Account					
Dedicated Cannabis Account-State 315-1	15,529	0	15,529	0	0
Total \$	15,529	0	15,529	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.

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Part II: Narrative Explanation

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

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

Section 2(1)(b): Except as provided in RCW 69.50.375(5) [section 3(5) of this bill], retail outlets may not sell cannabis concentrates with a THC concentration greater than 35 percent.

Section 3(5): Only cannabis retailers who hold a medical cannabis endorsement issued under this section may sell cannabis concentrates with a THC concentration greater than 35 percent. Cannabis concentrates with a THC concentration greater than 35 percent may be sold only to qualifying patients and designated providers who are entered into the medical cannabis authorization database and who hold a valid recognition card.

Section 4(2): A cannabis processor may process, package, possess, deliver, distribute, and sell cannabis concentrates with a THC concentration greater than 35 percent only when the cannabis concentrates are intended for sale to a cannabis retailer with a medical cannabis endorsement who will sell the products at retail as provided in RCW 69.50.375 [Section 3 of this bill].

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

INFORMATION TECHNOLOGY DIVISION:

There will be one-time staff hours in FY24 to implement this bill.

0.1 FTE IT App Development - Senior/Specialist - \$15,529 (\$15,422 salary/benefits, \$107 in associated costs).

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
315-1	Dedicated Cannabis Account	State	15,529	0	15,529	0	0
Total \$			15,529	0	15,529	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1		0.1		
A-Salaries and Wages	11,872		11,872		
B-Employee Benefits	3,550		3,550		
C-Professional Service Contracts					
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-					
Total \$	15,529	0	15,529	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 2024	FY 2025	2023-25	2025-27	2027-29
IT App Development - Senior/Specialist	118,716	0.1		0.1		
Total FTEs		0.1		0.1		0.0

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Information Technology Division (070)	15,529		15,529		
Total \$	15,529		15,529		

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.