

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 6271 SB	<b>Title:</b> Cannabis excise tax/THC	<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 2024	FY 2025	2023-25	2025-27	2027-29
<b>Account</b>					
General Fund-State 001-1	0	63,600	63,600	7,200	7,200
<b>Total \$</b>	0	63,600	63,600	7,200	7,200

### 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: Madeline Ralstin	Phone: 360-786-7356	Date: 01/19/2024
Agency Preparation: Colin O Neill	Phone: (360) 664-4552	Date: 01/22/2024
Agency Approval: Aaron Hanson	Phone: 360-664-1701	Date: 01/22/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/22/2024

## 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.*

(1) Beginning December 1, 2024, the board must collect data on the following information on cannabis products sold within Washington state:

(a) The amount of products being sold in the following categories: Usable cannabis, cannabis concentrates, and cannabis-infused products;

(b) The average THC concentration in usable cannabis and cannabis concentrates, and the average milligrams of THC per unit in cannabis-infused products; and

(c) The range of THC concentration in usable cannabis and cannabis concentrates.

(2) By November 14, 2025, the board must submit a report to the relevant committees of the legislature on the information collected under subsection (1) of this section.

(3) The board must formulate a recommended approach and implementation plan for modifying the cannabis excise tax under RCW 69.50.535. The proposed modification must be revenue neutral and propose a higher tax on products with a higher THC concentration relative to other products in the same category for each of the following categories: Usable cannabis, cannabis concentrates, and cannabis-infused products. The board must submit a report to the relevant committees of the legislature by September 18, 2026, on their findings under this subsection.

CHANGE FROM S-4017.2:

the previous draft (S-4017.2) had JLARC formulating the recommended approach and submitting a report to the legislature by September 18, 2026, the updated bill (version S-4017.3) now has the Board doing those tasks.

### 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 costs to implement this legislation:

400 vendor hours to modify the agency's Cannabis Central Reporting System (CCRS), at \$150/hr = \$60,000

ongoing annual subscription for additional cloud storage needed - \$3,600/yr.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	63,600	63,600	7,200	7,200
<b>Total \$</b>			0	63,600	63,600	7,200	7,200

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts		60,000	60,000		
E-Goods and Other Services		3,600	3,600	7,200	7,200
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>	0	63,600	63,600	7,200	7,200

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

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

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
INFORMATION TECHNOLOGY DIVISION (070)		63,600	63,600	7,200	7,200
<b>Total \$</b>		63,600	63,600	7,200	7,200

**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.*