

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 6272 SB	<b>Title:</b> Cannabis excise tax revenue
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## Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Liquor and Cannabis Board	(158,153,463)	(158,153,463)	(158,153,463)	(334,337,539)	(334,337,539)	(334,337,539)	(339,704,946)	(339,704,946)	(339,704,946)
<b>Total \$</b>	<b>(158,153,463)</b>	<b>(158,153,463)</b>	<b>(158,153,463)</b>	<b>(334,337,539)</b>	<b>(334,337,539)</b>	<b>(334,337,539)</b>	<b>(339,704,946)</b>	<b>(339,704,946)</b>	<b>(339,704,946)</b>

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Fiscal note not available					
Local Gov. Total						

## Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Revenue	.0	0	0	0	.0	0	0	0	.0	0	0	0
Liquor and Cannabis Board	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</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>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Liquor and Cannabis Board	.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>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

## Estimated Capital Budget Breakout

This preliminary package is incomplete. Other impacted agencies' fiscal notes will be distributed as soon as possible.

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**Phone:**  
(360) 280-7584

**Date Published:**  
Preliminary 1/30/2024

# Department of Revenue Fiscal Note

<b>Bill Number:</b> 6272 SB	<b>Title:</b> Cannabis excise tax revenue	<b>Agency:</b> 140-Department of Revenue
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated 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:	Phone:	Date: 01/22/2024
Agency Preparation: Van Huynh	Phone: (360) 534-1512	Date: 01/27/2024
Agency Approval: Valerie Torres	Phone: (360) 534-1521	Date: 01/27/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/29/2024

Request # 6272-1-1

## 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.*

#### CURRENT LAW:

The Legislature appropriates specified dollar amounts from the Dedicated Cannabis Account to various recipients. After these appropriations, the law distributes the remaining funds as follows:

- 52% to the State Basic Health Plan Trust Account.
- 11% to the Health Care Authority.
- 1.5% to counties, cities, and towns with licensed cannabis retail locations.
- 3.5% on a per capita basis to counties, cities, and towns allowing licensed cannabis producers, processors, or retailers.
- 32% to the General Fund.

#### PROPOSAL:

This bill dedicates the state's share of cannabis tax to counties and cities to attract and retain commissioned law enforcement officers.

Under this bill, the 32% of funds currently deposited in the General Fund will be redirected to counties, cities, and towns on a per capita basis.

Counties, cities, and towns use:

- At least 50% to attract and retain additional commissioned law enforcement officers.
- Any remaining amount for criminal justice purposes.

The bill defines criminal justice purposes as activities that substantially assist the criminal justice system. These activities may include:

- Circumstances with an ancillary benefit to the civil justice system.
- Domestic violence program services, community advocate services, and legal advocate services provided for domestic violence.

#### EFFECTIVE DATE:

The bill takes effect 90 days after the final adjournment of the session.

### 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.*

This legislation results in no revenue impact on taxes administered by the Department of Revenue (department).

### 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.*

The department will not incur any costs with the implementation of this legislation.

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

NONE

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

NONE

**III. C - 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**

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

NONE

**Part V: New Rule Making Required**

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 6272 SB	<b>Title:</b> Cannabis excise tax revenue	<b>Agency:</b> 195-Liquor and Cannabis Board
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
General Fund-State 001-1		(158,153,463)	(158,153,463)	(334,337,539)	(339,704,946)
<b>Total \$</b>		(158,153,463)	(158,153,463)	(334,337,539)	(339,704,946)

### 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:	Phone:	Date: 01/22/2024
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.

Section 1(3c)(iii) directs an additional 32% (on top of the existing 5%) of the Section 3 distribution to local governments, with the stipulation that at least 50% of funds must be used solely for attracting and retaining additional commissioned law enforcement officers; and any remaining amount may be used for criminal justice purposes (defined in this subsection).

Section 1(3d) is deleted (referring to the 32% of section 3 to General Fund-State).

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.

Section 1(3c)(iii) directs an additional 32% (on top of the existing 5%) of the Section 3 distribution to local governments, with the stipulation that at least 50% of funds must be used solely for attracting and retaining additional commissioned law enforcement officers; and any remaining amount may be used for criminal justice purposes (defined in this subsection).

Section 1(3d) is deleted (referring to the 32% of section 3 to General Fund-State).

The effect of this change is to eliminate the Section 3 distribution to General Fund-State and distribute it to the local governments instead.

The General Fund-State impact is shown below, based on the November 2023 Cannabis Revenue & Distribution forecast:

NOTE: the cannabis forecast is only available through FY27, so FY28/29 are duplicates of FY27. In addition, it is assumed that the first distribution that the change would take effect is the September 2024 distribution.

FY25: (\$158,153,463)  
FY26: (\$164,485,066)  
FY27: (\$169,852,473)  
FY28: (\$169,852,473)  
FY29: (\$169,852,473)

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.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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)**

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**

*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.*