

Multiple Agency Fiscal Note Summary

Bill Number: 2194 S HB	Title: Home cultivation of cannabis
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Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts	Fiscal note not available					
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
Administrative Office of the Courts	Fiscal note not available											
Caseload Forecast Council	Fiscal note not available											
Department of Revenue	Fiscal note not available											
Liquor and Cannabis Board	.1	26,840	26,840	26,840	.2	53,680	53,680	53,680	.2	53,680	53,680	53,680
Washington State Patrol	Fiscal note not available											
Criminal Justice Training Commission	Fiscal note not available											
Department of Children, Youth, and Families	Fiscal note not available											
Department of Corrections	Fiscal note not available											
Department of Agriculture	Fiscal note not available											
Total \$	0.1	26,840	26,840	26,840	0.2	53,680	53,680	53,680	0.2	53,680	53,680	53,680

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	Fiscal note not available								
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
Administrative Office of the Courts	Fiscal note not available								
Caseload Forecast Council	Fiscal note not available								
Department of Revenue	Fiscal note not available								
Liquor and Cannabis Board	.0	0	0	.0	0	0	.0	0	0
Washington State Patrol	Fiscal note not available								
Criminal Justice Training Commission	Fiscal note not available								
Department of Children, Youth, and Families	Fiscal note not available								
Department of Corrections	Fiscal note not available								
Department of Agriculture	Fiscal note not available								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

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

Estimated Capital Budget Breakout

NONE

Prepared by: Val Terre, OFM	Phone: (360) 280-3973	Date Published: Preliminary 2/ 1/2024
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Individual State Agency Fiscal Note

Bill Number: 2194 S HB	Title: Home cultivation of cannabis	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	0.0	0.2	0.1	0.2	0.2
Account					
General Fund-State 001-1	0	26,840	26,840	53,680	53,680
Total \$	0	26,840	26,840	53,680	53,680

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: Peter Clodfelter	Phone: 360-786-7127	Date: 01/31/2024
Agency Preparation: Colin O Neill	Phone: (360) 664-4552	Date: 02/01/2024
Agency Approval: Aaron Hanson	Phone: 360-664-1701	Date: 02/01/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 02/01/2024

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.

Session 1(3a): The possession, by a person 21 years of age or older, of plants and the cannabis and cannabis products derived from those plants as authorized under subsection (7) of this section, is not a violation of this section, this chapter, or any other provision of Washington state law.

Section 1(7):

(a) The production and possession by a person 21 years of age or older of no more than six plants and the cannabis and cannabis products derived from those plants, on the premises of the housing unit occupied by the person, is not a violation of this section, this chapter, or any other provision of Washington state law. No more than 10 plants may be produced at any one time on the premises of a single housing unit, regardless of the number of residents living on the premises of the housing unit.

(b) For purposes of this subsection, "housing unit" has the meaning provided in RCW 69.51A.010.

(c) Except as authorized in RCW 69.50.325 or chapter 69.51A RCW:

(i) It is a class 1 civil infraction punishable under chapter 7.80 RCW for a person to produce and knowingly possess more than four plants but fewer than 11 plants; and

(ii) It is a class C felony punishable under RCW 69.50.401(2)(c) for a person to produce and knowingly possess 11 or more plants.

(d) An investigating law enforcement officer or agency may seize and summarily destroy any plants in excess of four plants, if the person is not authorized to produce and possess the additional plants under a commercial cannabis producer license or the Washington State Medical Use of Cannabis Act.

Section 3(1h)(iii) Creates an addition to the prohibition against forfeiture of property, when (in addition to the existing allowance for possession of cannabis), the acquisition, delivery, or production of cannabis, useable cannabis, cannabis concentrates, or cannabis-infused products including in the manner and in the amount provided in RCW 69.50.4013(7) [Section 1(7) of this bill].

Section 4(14) Creates a new definition in RCW 69.50 for "commercial activity" as "an activity related to or connected with buying, selling, or bartering."

CHANGES MADE BY THE SUBSTITUTE:

- Section 1(7) revises the proposed cannabis home grow authorization to:

- Allow the production and possession of no more than four plants, instead of no more than six plants.
- Revises the proposed limit on the number of cannabis plants that may be produced at any one time on the premises of a single housing unit with multiple residents, to set a limit of 10 plants, instead of 15 plants.
- Revises the proposed class 1 civil infraction so it would penalize a person who produces and knowingly possesses more than four plants but fewer than 11 plants, instead of more than six plants but fewer than 16 plants.
- Revises the proposed class C felony so it would apply (or continue to apply) to a person who produces and knowingly possesses 11 or more plants, instead of 16 or more plants.
- Authorizes an investigating law enforcement officer or agency to seize and summarily destroy any plants in excess of four plants, if the person is not authorized to produce and possess the additional plants under a commercial cannabis producer license or the Washington State Medical Use of Cannabis Act.

- Section 3(1h)(iii) revises the proposed changes to real property seizure and forfeiture provisions, so a safe harbor for cannabis possession activities could cease applying if the amount possessed is 11 or more plants, instead of 16 or more plants.

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.

ENFORCEMENT DIVISION:

The Washington State Liquor and Cannabis Board ("Board") keeps detailed statistics on all of its enforcement activities and tracks this activity using a unit of measure called a Field Increment (FI). All direct enforcement activities such as premise checks, inspections and investigations are tracked to determine how many FI's are needed to accomplish each activity. Each FI is equivalent to 1/10th of an hour (6 minutes). For example, if a tavern premise check takes 2 FI's and two officers, it is anticipated that one check will consume 4 FI's. Using historical data to factor out indirect activities such as driving time, training, office time and leave, it has been determined that officers are available for an average of 4,220 FI's each year.

The agency anticipates a workload impact of 0.2 FTE LCB Enforcement Officer 2 (LEO2) ongoing as a result of increased complaints and seizures. Please see the attached "2194 SHB Home cultivation of cannabis - Enforcement Field Increment Calculator.pdf" for the workload calculations.

0.2 FTE LCB Enforcement Officer 2 - \$26,840/yr (\$23,668 salary/benefits, \$3,172 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
001-1	General Fund	State	0	26,840	26,840	53,680	53,680
Total \$			0	26,840	26,840	53,680	53,680

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.2	0.1	0.2	0.2
A-Salaries and Wages		17,343	17,343	34,686	34,686
B-Employee Benefits		6,325	6,325	12,650	12,650
C-Professional Service Contracts					
E-Goods and Other Services		872	872	1,744	1,744
G-Travel		2,232	2,232	4,464	4,464
J-Capital Outlays		68	68	136	136
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	26,840	26,840	53,680	53,680

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
LCB Enforcement Officer 2	86,712		0.2	0.1	0.2	0.2
Total FTEs			0.2	0.1	0.2	0.2

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Enforcement Division (060)		26,840	26,840	53,680	53,680
Total \$		26,840	26,840	53,680	53,680

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.

Enforcement Field Increment (FI) Calculator

2194 SHB "Home cultivation of cannabis"

	Number of events	Time Factor	Staffing Factor	FI Total
Complaint Investigations Cannabis	12	20	1.3	312
Search and Seizure	1	51	13	663

<u>Factors</u>	<u>Values</u>
Complaint Investigations Cannabis	1 per month
Search and Seizure	1 per year

Total FI's	975
Total Field Increments per FTE	4,220
FTE's required	0.23
Round	0.20