

Multiple Agency Fiscal Note Summary

Bill Number: 1449 HB	Title: Home cultivation of cannabis
-----------------------------	--

Estimated Cash Receipts

NONE

Agency Name	2025-27		2027-29		2029-31	
	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	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Administrative Office of the Courts	.0	3,500	3,500	3,500	.0	0	0	0	.0	0	0	0
Caseload Forecast Council	.0	0	0	0	.0	0	0	0	.0	0	0	0
Liquor and Cannabis Board	.3	0	0	85,038	.3	0	0	85,038	.3	0	0	85,038
Washington State Patrol	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Children, Youth, and Families	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Corrections	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Total \$	0.3	3,500	3,500	88,538	0.3	0	0	85,038	0.3	0	0	85,038

Agency Name	2025-27			2027-29			2029-31		
	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	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
Caseload Forecast Council	.0	0	0	.0	0	0	.0	0	0
Liquor and Cannabis Board	.0	0	0	.0	0	0	.0	0	0
Washington State Patrol	.0	0	0	.0	0	0	.0	0	0
Department of Children, Youth, and Families	.0	0	0	.0	0	0	.0	0	0
Department of Corrections	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2025-27			2027-29			2029-31		
	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

Prepared by: Danya Clevenger, OFM	Phone: (360) 688-6413	Date Published: Preliminary 1/27/2025
--	---------------------------------	---

Judicial Impact Fiscal Note

Bill Number: 1449 HB	Title: Home cultivation of cannabis	Agency: 055-Administrative Office of the Courts
-----------------------------	--	--

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

STATE	FY 2026	FY 2027	2025-27	2027-29	2029-31
State FTE Staff Years					
Account					
General Fund-State 001-1	3,500		3,500		
State Subtotal \$	3,500		3,500		
COUNTY	FY 2026	FY 2027	2025-27	2027-29	2029-31
County FTE Staff Years					
Account					
Local - Counties					
Counties Subtotal \$					
CITY	FY 2026	FY 2027	2025-27	2027-29	2029-31
City FTE Staff Years					
Account					
Local - Cities					
Cities Subtotal \$					

Estimated Capital Budget Impact:

NONE

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

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 for 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.

Legislative Contact: Peter Clodfelter	Phone: 360-786-7127	Date: 01/20/2025
Agency Preparation: Chris Conn	Phone: 360-704-5512	Date: 01/22/2025
Agency Approval: Chris Stanley	Phone: 360-357-2406	Date: 01/22/2025
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 01/23/2025

198,108.00

Request # 065-1

Part II: Narrative Explanation

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

Section 1 creates posits that no individual over the age of 21 can produce and possess more than 6 cannabis plants and the cannabis products derived from that plant; no more than 15 plants in the same single housing unit regardless of how many individuals live there. Class 3 civil infraction if the plants can be readily smelled from a public place or private property or visible from ordinary public view. Class 1 civil infraction if a individual has more than 6 but less than 16 cannabis plants. Class C felony if over 16 or more plants.

Section 3 amends 69.50.505 seizure and forfeiture under the Food, drug, cosmetics chapters to specify that “acquisition, deliver, production, of usable cannabis, cannabis concentrates, or cannabis infused products’ are not subject to forfeiture of real property unless possessed in commercial purposes that is unlawful under Washington state law.

Section 4 adds a definition of commercial activity.

II. B - Cash Receipts Impact

None

II. C - Expenditures

This bill would have minimal fiscal impact to the Administrative Office of the Courts.

ADMINISTRATIVE OFFICE OF THE COURTS

The bill would require 20 hours of forms updates, as well as 6 hours to update the law table. This is estimated to be \$3,500 in FY 2026.

Part III: Expenditure Detail

Part III: Expenditure Detail

III. A - Expenditure By Object or Purpose (State)

<i>State</i>	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years					
Salaries and Wages					
Employee Benefits					
Professional Service Contracts					
Goods and Other Services	3,500		3,500		
Travel					
Capital Outlays					
Inter Agency/Fund Transfers					
Grants, Benefits & Client Services					
Debt Service					
Interagency Reimbursements					
Intra-Agency Reimbursements					
Total \$	3,500		3,500		

III. B - Expenditure By Object or Purpose (County)

NONE

III. C - Expenditure By Object or Purpose (City)

NONE

III. D - FTE Detail

NONE

198,108.00

Form FN (Rev 1/00)

2

Request # 065-1

Bill # 1449 HB

III. E - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B1 - Expenditures by Object Or Purpose (State)

NONE

IV. B2 - Expenditures by Object Or Purpose (County)

NONE

IV. B3 - Expenditures by Object Or Purpose (City)

NONE

IV. C - Capital Budget Breakout

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

NONE

None

Individual State Agency Fiscal Note

Bill Number: 1449 HB	Title: Home cultivation of cannabis	Agency: 101-Caseload Forecast Council
-----------------------------	--	--

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

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: Peter Clodfelter	Phone: 360-786-7127	Date: 01/20/2025
Agency Preparation: Clela Steelhammer	Phone: 360-664-9381	Date: 01/24/2025
Agency Approval: Clela Steelhammer	Phone: 360-664-9381	Date: 01/24/2025
OFM Review: Danya Clevenger	Phone: (360) 688-6413	Date: 01/27/2025

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.

See attached.

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.

None.

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.

See attached.

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.

HB 1449

HOME CULTIVATION OF CANNABIS

101 – Caseload Forecast Council

January 21, 2025

SUMMARY

A brief description of what the measure does that has fiscal impact.

- Section 1 Amends RCW 69.50.4013 (Possession, use of controlled substance—Penalty—Referral to assessment and services—Possession of useable cannabis, cannabis concentrates, or cannabis-infused products—Delivery) by amending the definition of the gross misdemeanor of Knowingly Possessing a Controlled Substance by allowing possession of cannabis by a person 21 years of age or older, as established in subsection (7).
- Section 1 Additionally adds subsection 7 which establishes requirements of legal possession of cannabis and cannabis products within a housing unit.
- Section 1 Additionally establishes a Class I Civil Infraction for a person who produces and knowingly possesses more than six plants but fewer than 16.
- Section 1 Additionally limits the Class C felony offense of Manufacture, Deliver or Possess with intent to Deliver Cannabis to a person who produces and knowingly possesses 16 or more plants.
- Section 2 Amends RCW 69.50.401 (Prohibited acts: A—Penalties) by referencing RCW 69.50.4013(7) to the Class C felony of Unlawful Manufacture, Deliver, or Possess with intent to Manufacture or Deliver a Controlled Substance.
- Section 3 Amends RCW 69.50.101 (Definitions) by establishing a definition for “Commercial Activity”.

EXPENDITURES

Assumptions.

None.

Impact on the Caseload Forecast Council.

None

Impact Summary

This bill:

- Contracts a gross misdemeanor by establishing legal possession of cannabis plants and establishes a Class I Civil infraction for possession of 7-15 plants; and, if more than 15 plants are produced and knowingly possessed, it shall be punishable under 69.50.401(2)(c), a Class C felony.

Impacts on prison and jail beds.

The Caseload Forecast Council has no information concerning how many less incidents of the gross misdemeanor offense of Knowingly Possessing a Controlled Substance may occur given the allowance of legal possession of a certain amount of cannabis plants under the provisions of the bill. As such, the Caseload Forecast Council cannot reliably predict bed impacts resulting from the bill. However, a gross misdemeanor offense would be punishable by a term of confinement of 0-364 days in jail. Therefore, any reductions would impact jail beds only.

The Class C felony of offense of Manufacture, Deliver, or Possess with intent to Manufacture or Deliver a Controlled Substance is limited to instances of possession of more than 15 cannabis plants. It is unknown how many fewer offense would result as a result of the bill. However, as a felony offense ranked at Seriousness Level I on the Drug Grid and is punishable by 0-6 months in jail to 12.03-14 months in prison, any reductions in this offense would likely result in prison and jail bed savings.

Impacts on DOC supervision population.

The offense of Manufacture, Deliver, or Possess with intent to Manufacture or Deliver a Controlled Substance is felony offense under chapter 69.50. As such, an individual assessed as high risk to reoffend in the community may be required to be supervised by the Department of Corrections upon release. For individuals releasing from a non-prison sentence, the community custody term may be up to one year; and for those releasing from prison, one year is required.

Given the above, any reductions for convictions based on the provisions of this bill by an individual assessed as high risk to reoffend may result in a decrease of the DOC’s Community Custody caseload.

For informational purposes, the total number of sentences imposed for this offense as the most serious offense in Fiscal Year 2024 was 21 sentences (two prison sentences and 19 jail sentences.)

Impact on local detention and Juvenile Rehabilitation beds.

None. The bill address possession by individuals 21 years of age and older.

Individual State Agency Fiscal Note

Bill Number: 1449 HB	Title: Home cultivation of cannabis	Agency: 195-Liquor and Cannabis Board
-----------------------------	--	--

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.3	0.3	0.3	0.3	0.3
Account					
Liquor Revolving Account-State 501-1	42,519	42,519	85,038	85,038	85,038
Total \$	42,519	42,519	85,038	85,038	85,038

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: 01/20/2025
Agency Preparation: Colin O Neill	Phone: (360) 664-4552	Date: 01/23/2025
Agency Approval: Aaron Hanson	Phone: 360-664-1701	Date: 01/23/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 01/26/2025

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(7) (RCW 69.50.4013) allows for production and possession by a person 21 yrs of age or older, of no more than six cannabis plants and the products derived from those plants, on the premises of their housing unit. No more than 15 plants may be produced at any one time on the premises of a single housing unit. The plants must not be readily smelled from a public place or private property of another housing unit, or visible within the ordinary public view.

Section 1(7c)(ii) makes it a felony for a person to produce and knowingly possess 16 or more plants.

Section 1(7e) states that the board has no authority or responsibility to investigate or enforce requirements in this subsection (7). Nothing in this subsection (7)(e) limits the board's authority to enforce state laws related to commercial cannabis production, processing, or sales, when there is evidence of a violation of another provision of this chapter.

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.

Although the Board is not granted additional powers from this legislation, the agency anticipates receiving more external complaints for unlicensed producers. Some of these complaints will have elements that may indicate that a location is a nexus of cannabis products into the legal market. Such complaints will require a cursory investigation to determine if there is such a business relationship between a location and a licensed business. If evidence is found to exist than a more detailed investigation will be started.

Please see the attached "1449 HB Home cultivation of Cannabis - Enforcement Field Increment Calculator.pdf" for the workload calculations.

0.3 FTE LCB Enforcement Officer 2 - \$42,519/yr (\$35,598 salary/benefits, \$6,921 in associated costs).

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
501-1	Liquor Revolving Account	State	42,519	42,519	85,038	85,038	85,038
Total \$			42,519	42,519	85,038	85,038	85,038

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.3	0.3	0.3	0.3	0.3
A-Salaries and Wages	26,014	26,014	52,028	52,028	52,028
B-Employee Benefits	9,584	9,584	19,168	19,168	19,168
C-Professional Service Contracts					
E-Goods and Other Services	2,841	2,841	5,682	5,682	5,682
G-Travel	3,780	3,780	7,560	7,560	7,560
J-Capital Outlays	300	300	600	600	600
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	42,519	42,519	85,038	85,038	85,038

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 2026	FY 2027	2025-27	2027-29	2029-31
LCB Enforcement Officer 2	86,712	0.3	0.3	0.3	0.3	0.3
Total FTEs		0.3	0.3	0.3	0.3	0.3

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Enforcement Division (060)	42,519	42,519	85,038	85,038	85,038
Total \$	42,519	42,519	85,038	85,038	85,038

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

1449 HB "Home cultivation of Cannabis"

	Number of events	Time Factor	Staffing Factor	FI Total
Complaint Investigations Cannabis	24	20	1.3	624
Search and Seizure	1	51	13	663

<u>Factors</u>	<u>Values</u>
Complaint Investigations Cannabis	2 per month
Search and Seizure	1 per year

Total FI's	1,287
Total Field Increments per FTE	4,220
FTE's required	0.30
Round	0.30

Individual State Agency Fiscal Note

Bill Number: 1449 HB	Title: Home cultivation of cannabis	Agency: 225-Washington State Patrol
-----------------------------	--	--

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

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: Peter Clodfelter	Phone: 360-786-7127	Date: 01/20/2025
Agency Preparation: Allison Plant	Phone: 360-596-4080	Date: 01/24/2025
Agency Approval: Mario Buono	Phone: (360) 596-4046	Date: 01/24/2025
OFM Review: Maria Thomas	Phone: (360) 229-4717	Date: 01/24/2025

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.

The proposed legislation does not have a fiscal impact to the Washington State Patrol (WSP).

Section 1(7)(a) allows a person 21 years of age or older to produce up to six cannabis plants on the premises of their housing unit, subject to production and possession limits and other restrictions and conditions.

Section 1(7)(b) makes it a class 3 civil infraction for a person to produce or knowingly possess plants or cannabis and cannabis products derived from those plants if they can be readily smelled from a public place or the private property of another housing unit, or are visible within the ordinary public view.

Section 1(7)(d) allows an investigating law enforcement officer or agency to seize and summarily destroy any plants produced or possessed by a person in excess of six, if the person is not authorized to produce and possess the additional plants under RCW 69.50.325 or chapter 69.51A RCW.

Section 3 amends RCW 69.50.505 to state the acquisition, delivery, production, or possession of cannabis, useable cannabis, cannabis concentrates, or cannabis-infused products within the home growth restrictions shall not form a basis of a seizure and forfeiture action.

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.

We do not anticipate the proposed legislation will have a fiscal impact as we will query with the Liquor and Cannabis Board to determine if a grow is licensed or illegal.

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.

Individual State Agency Fiscal Note

Bill Number: 1449 HB	Title: Home cultivation of cannabis	Agency: 307-Department of Children, Youth, and Families
-----------------------------	--	--

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

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: Peter Clodfelter	Phone: 360-786-7127	Date: 01/20/2025
Agency Preparation: Dania Taslim	Phone: 5096544940	Date: 01/24/2025
Agency Approval: Crystal Lester	Phone: 360-628-3960	Date: 01/24/2025
OFM Review: Danya Clevenger	Phone: (360) 688-6413	Date: 01/27/2025

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.

An act relating to legalizing the home cultivation of cannabis by persons who are 21 years of age and older:

Sec 1 amends RCW 69.50.413 by adding provisions against penalties.

This bill allows persons who are 21 years and older to grow up to six plants for personal use. Penalties are introduced for growing more than six plants or for growing plants that can be smelled or seen in public view. Law enforcement can seize excess plants, and new definitions for "Housing Unit" and "Ordinary Public View" are added.

Sec 2 amends RCW 69.50.401 (2)(c)

To include exceptions for penalties related to personal cannabis cultivation as per Section 1.

Sec 3 amends RCW 69.50.505

Changes laws to prevent property forfeiture for legal cannabis cultivation and increases the legal possession limit from 5 to 16 plants. Also, 10% of forfeited property proceeds will fund a scholarship program.

Sec 4 amends RCW 69.50.101

To define "Commercial Activity" as buying, selling, or bartering cannabis.

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.

NONE

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.

No fiscal impact to Department of Children, Youth & Families (DCYF) because this bill authorizes acquisition, production, delivery and possession of cannabis, plants, and derivatives for persons 21 and older. There is no change to the laws regarding cannabis for persons under age 21.

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.

Individual State Agency Fiscal Note

Bill Number: 1449 HB	Title: Home cultivation of cannabis	Agency: 310-Department of Corrections
-----------------------------	--	--

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

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: 01/20/2025
Agency Preparation: Jaysanna Wang	Phone: (360) 725-8428	Date: 01/27/2025
Agency Approval: Wendi Gunther	Phone: 360-725-8428	Date: 01/27/2025
OFM Review: Danya Clevenger	Phone: (360) 688-6413	Date: 01/27/2025

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.

An act relating to legalizing the home cultivation of cannabis by persons who are 21 years of age or older; amending RCW 69.50.4013, 69.50.401, and 69.50.101; reenacting and amending RCW 69.50.505; and prescribing penalties.

Section 1 amends RCW 69.50.4013 (Possession, use of controlled substance—Penalty—Referral to assessment and services—Possession of useable cannabis, cannabis concentrates, or cannabis-infused products—Delivery) by amending the definition of the gross misdemeanor of Knowingly Possessing a Controlled Substance by allowing possession of cannabis by a person 21 years of age or older, as established in subsection (7).

Section 1(7) is a new subsection which establishes requirements of legal possession of cannabis and cannabis products within a housing unit.

Section 1(7)(ii) limits the Class C felony offense of Manufacture, Deliver or Possess with intent to Deliver Cannabis to a person who produces and knowingly possesses 16 or more plants.

Section 2 amends RCW 69.50.401 (Prohibited acts: A—Penalties) by referencing RCW 69.50.4013(7) to the Class C felony of Unlawful Manufacture, Deliver, or Possess with intent to Manufacture or Deliver a Controlled Substance.

Section 3 amends RCW 69.50.101 (Definitions) by establishing a definition for “Commercial Activity”.

Effective date is assumed 90 days after adjournment of the session in which this bill is passed.

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.

The fiscal impact of this bill is indeterminate, assumed to be less than \$50,000 per Fiscal Year (FY).

This bill creates a gross misdemeanor by establishing legal possession of cannabis plants and establishes a Class I Civil infraction for possession of 7-15 plants; and, if more than 15 plants are produced and knowingly possessed, it shall be punishable under 69.50.401(2)(c), a Class C felony.

Impacts on prison beds.

The Class C felony of offense of Manufacture, Deliver, or Possess with intent to Manufacture or Deliver a Controlled Substance is limited to instances of possession of more than 15 cannabis plants. It is unknown how many fewer offenses would result as a result of the bill. However, as a felony offense ranked at Seriousness Level I on the Drug Grid and punishable by 0-6 months in jail to 12.03-14 months in prison, any reductions in this offense would likely result in prison and jail bed savings.

Impacts on DOC supervision population.

The offense of Manufacture, Deliver, or Possess with intent to Manufacture or Deliver a Controlled Substance is a felony

offense under chapter 69.50. As such, an individual assessed as high risk to reoffend in the community may be required to be supervised by the DOC upon release. For individuals releasing from a non-prison sentence, the community custody term may be up to one year; and for those releasing from prison, one year is required.

Given the above, any reductions for convictions based on the provisions of this bill by an individual assessed as high risk to reoffend may result in a decrease of DOC's Community Custody caseload.

For informational purposes, the total number of prison sentences imposed for this offense as the most serious offense in Fiscal Year 2024 was two, a total additional cost of \$15,616 (two x \$7,808 annual direct variable cost = \$15,616).

DOC STANDARD ASSUMPTIONS

The estimated ADP impact to DOC prison facilities/institutions and/or community supervision/violator caseloads is based on projections from CFC.

The DOC assumes a Direct Variable Cost (DVC) of \$7,808 per incarcerated individual per FY to facilitate cost discussions during legislative session for bills. This cost estimate includes prison and health services' direct variable costs. It does not include staffing or dollars necessary for staffing needed at the facility outside of the living/housing units. The DVC is calculated by DOC and reviewed and approved with the Office of Financial Management, Senate, and House staff each legislative session.

The DOC assumes additional impacts will result when ADP caseload changes in either prison or community and resources will be necessary. The DOC will evaluate the fiscal impacts and may submit future budget requests to cover these costs should the legislation be enacted into session law.

For illustrative purposes only, the average annual Community Supervision caseload model is \$6,072 per ADP (not including startup costs), regardless of the supervised risk level based on the workload model. If ADP impacts are applicable to this fiscal note, the calculated rate per community supervision ADP includes direct supervision and ancillary units, such as Hearings, Records, and Training, that are directly affected by supervision population changes. The estimate will vary based on the risk level of the supervised individuals, which requires different staffing levels. The population trend data used is based on the Risk Level Classification tool and provides a risk level of 42.8% high violent, 27.3% high non-violent, 21% moderate, 7.9% low, and 1.0% unclassified. (June – November 2017).

The DOC assumes that any increase in community supervision caseload will result in an increased need for violator beds. For illustrative purposes only, the FY2024 average percentage of supervised individuals who served jail time and were billed by the local jurisdictions for violating their conditions of supervision was a rate of 2.0%. The current average daily cost for jail beds is \$123.24 per day, inclusive of all risk levels and healthcare costs. The rate is an average, and actual rates vary by local correctional facilities.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

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.