

Multiple Agency Fiscal Note Summary

Bill Number: 5547 SB	Title: Cannabis revenue/local gov.
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Estimated Cash Receipts

Agency Name	2025-27			2027-29			2029-31		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Liquor and Cannabis Board	(13,805,508)	(13,805,508)	(13,805,508)	(34,741,484)	(34,741,484)	(34,741,484)	(50,480,634)	(50,480,634)	(50,480,634)
Total \$	(13,805,508)	(13,805,508)	(13,805,508)	(34,741,484)	(34,741,484)	(34,741,484)	(50,480,634)	(50,480,634)	(50,480,634)

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
Office of State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
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
Total \$	0.0	0	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 Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
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
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: Megan Tudor, OFM	Phone: (360) 890-1722	Date Published: Preliminary 2/ 4/2025
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Individual State Agency Fiscal Note

Bill Number: 5547 SB	Title: Cannabis revenue/local gov.	Agency: 090-Office of State Treasurer
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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: Alia Kennedy	Phone: 360-786-7405	Date: 01/27/2025
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 01/30/2025
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 01/30/2025
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 02/04/2025

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.

SB 5547 increases the cannabis revenue distributions to local governments.

The fiscal impact to the general fund and local governments is included in the liquor and cannabis board fiscal note.

There may be some de-minimis work for OST which can be completed within current practices and resources.

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.

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.

Department of Revenue Fiscal Note

Bill Number: 5547 SB	Title: Cannabis revenue/local gov.	Agency: 140-Department of Revenue
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Part I: Estimates

☒ **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: Alia Kennedy	Phone: 603-786-7405	Date: 01/27/2025
Agency Preparation: Van Huynh	Phone: 603-534-1512	Date: 01/30/2025
Agency Approval: Valerie Torres	Phone: 603-534-1521	Date: 01/30/2025
OFM Review: Megan Tudor	Phone: (603) 890-1722	Date: 02/04/2025

Request # 5547-1-1

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 is required to appropriate specified dollar amounts from the dedicated cannabis account to various recipients. After the appropriation of those amounts, the remaining funds are to be distributed as follows:

- 52% to the State Basic Health Plan Trust Account.
- 11% to the Health Care Authority.
- 1.5% to counties, cities, and towns where licensed cannabis retailers are physically located.
- 3.5% to counties, cities, and towns split on a per capita basis, only to jurisdictions that allow the siting of licensed cannabis producers, processors, or retailers.
- 32% to the General Fund.

PROPOSAL:

This bill increases cannabis revenue distributions to local governments and alters the percentage distributed to the General Fund.

Specifically, it:

Increases the percent distributed to counties, cities, and towns where licensed cannabis retailers are physically located, as follows:

- 2.0% for fiscal year 2026;
- 2.5% for fiscal year 2027;
- 3.0% for fiscal year 2028;
- 3.5% for fiscal year 2029; and
- Beginning with fiscal year 2030, 4.0%.

Increases the percent distributed to counties, cities, and towns on a per capita basis, only for jurisdictions allowing the siting of licensed cannabis producers, processors, or retailers, as follows:

- 4.0% for fiscal year 2026;
- 4.5% for fiscal year 2027;
- 5.0% for fiscal year 2028;
- 5.5% for fiscal year 2029; and
- Beginning with fiscal year 2030, 6.0%.

The bill changes the percentage distributed to the General Fund, as follows:

- 31% for fiscal year 2026;
- 30% for fiscal year 2027;
- 29% for fiscal year 2028;
- 28% for fiscal year 2029; and
- Beginning with fiscal year 2030, 27%.

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

Bill Number: 5547 SB	Title: Cannabis revenue/local gov.	Agency: 195-Liquor and Cannabis Board
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
General Fund-State 001-1	(4,487,706)	(9,317,802)	(13,805,508)	(34,741,484)	(50,480,634)
Total \$	(4,487,706)	(9,317,802)	(13,805,508)	(34,741,484)	(50,480,634)

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: Alia Kennedy	Phone: 360-786-7405	Date: 01/27/2025
Agency Preparation: Aaron Hanson	Phone: 360-664-1701	Date: 01/30/2025
Agency Approval: Aaron Hanson	Phone: 360-664-1701	Date: 01/30/2025
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/04/2025

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.

This bill would increase the revenues available for distribution to local governments by redirecting a portion that's currently dedicated to the general fund.

RCW 69.50.540 (cannabis revenue distributions) is modified in subsection 4 which deals with the local government and general fund portions.

Existing language for reference:

Section 3(c)(i): 1.5 percent to counties, cities, and towns where licensed cannabis retailers are physically located.

Section 3(c)(ii): 3.5 percent to counties, cities, and towns ratably on a per capita basis.

Section 3(d): 32 percent must be deposited in the state general fund.

Section 4 (new language)

(a) The distribution amount in subsection (3)(c)(i) of this section is two percent for fiscal year 2026, 2.5 percent for fiscal year 2027, three percent for fiscal year 2028, 3.5 percent for fiscal year 2029, and four percent for fiscal year 2030 and thereafter.

(b) The distribution amount in subsection (3)(c)(ii) of this section is four percent for fiscal year 2026, 4.5 percent for fiscal year 2027, five percent for fiscal year 2028, 5.5 percent for fiscal year 2029, and six percent for fiscal year 2030 and thereafter.

(c) The distribution amount in subsection (3)(d) of this section is 31 percent for fiscal year 2026, 30 percent for fiscal year 2027, 29 percent for fiscal year 2028, 28 percent for fiscal year 2029, and 27 percent for fiscal year 2030 and thereafter.

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.

The cash receipt impact is based on the November 2024 revenue forecast prepared by the Economic and Revenue Forecast Council. Revenues are forecasted through fiscal year 2029, so the cash receipt impact for fiscal years 2030 and 2031 assumes fiscal year 2029 revenues for purposes of this fiscal note.

GFS forecast under current law:

FY26: 143,606,607
FY27: 149,084,828
FY28: 155,191,802
FY29: 161,538,026
FY30: 161,538,026
FY31: 161,538,026

GFS forecast after applying proposed changes in the bill:

FY26: 139,118,901
FY27: 139,767,026
FY28: 140,642,570
FY29: 141,345,772
FY30: 136,297,709
FY31: 136,297,709

GFS Impact:

FY26: (4,487,706)
FY27: (9,317,802)
FY28: (14,549,231)
FY29: (20,192,253)
FY30: (25,240,317)
FY31: (25,240,317)

Local governments:

Local government forecast under current law:

FY26: 22,438,532
FY27: 23,294,504
FY28: 24,248,719
FY29: 25,240,317
FY30: 25,240,317
FY31: 25,240,317

Local government forecast after applying proposed changes in the bill:

FY26: 26,926,239
FY27: 32,612,306
FY28: 38,797,950
FY29: 45,432,570
FY30: 50,480,633
FY31: 50,480,633

Local government Impact:

FY26: 4,487,706
FY27: 9,317,802
FY28: 14,549,231
FY29: 20,192,253
FY30: 25,240,317
FY31: 25,240,317

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 the agency as the calculations are a simple change and the actual distributions to local governments and GFS are handled by the State Treasurer's Office, using information provided by the Board.

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.