

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5547 SB	<b>Title:</b> 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)
<b>Total \$</b>	<b>(13,805,508)</b>	<b>(13,805,508)</b>	<b>(13,805,508)</b>	<b>(34,741,484)</b>	<b>(34,741,484)</b>	<b>(34,741,484)</b>	<b>(50,480,634)</b>	<b>(50,480,634)</b>	<b>(50,480,634)</b>

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		13,805,508		34,741,484		50,480,634
Local Gov. Total		13,805,508		34,741,484		50,480,634

## 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
<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>

## 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
<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>

## Estimated Capital Budget Breakout

<b>Prepared by:</b> Megan Tudor, OFM	<b>Phone:</b> (360) 890-1722	<b>Date Published:</b> Final 2/ 5/2025
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5547 SB	<b>Title:</b> Cannabis revenue/local gov.	<b>Agency:</b> 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

<b>Bill Number:</b> 5547 SB	<b>Title:</b> Cannabis revenue/local gov.	<b>Agency:</b> 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

<b>Bill Number:</b> 5547 SB	<b>Title:</b> Cannabis revenue/local gov.	<b>Agency:</b> 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)
<b>Total \$</b>	(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)

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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.*

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

<b>Bill Number:</b> 5547 SB	<b>Title:</b> Cannabis revenue/local gov.
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## Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

### Legislation Impacts:

- ☒ Cities: increase in revenue
- ☒ Counties: Same as above
- ☐ Special Districts:
- ☒ Specific jurisdictions only: jurisdictions allowing cannabis retail
- ☐ Variance occurs due to:

## Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☐ Key variables cannot be estimated with certainty at this time:

### Estimated revenue impacts to:

Jurisdiction	FY 2026	FY 2027	2025-27	2027-29	2029-31
City	2,243,853	4,658,901	6,902,754	17,370,742	25,240,317
County	2,243,853	4,658,901	6,902,754	17,370,742	25,240,317
<b>TOTAL \$</b>	4,487,706	9,317,802	13,805,508	34,741,484	50,480,634
<b>GRAND TOTAL \$</b>	99,027,626				

### Estimated expenditure impacts to:

None

## Part III: Preparation and Approval

Fiscal Note Analyst: Allan Johnson	Phone: 360-725-5033	Date: 02/04/2025
Leg. Committee Contact: Alia Kennedy	Phone: 360-786-7405	Date: 01/27/2025
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/04/2025
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 02/04/2025

## Part IV: Analysis

### A. SUMMARY OF BILL

*Description of the bill with an emphasis on how it impacts local government.*

Beginning in fiscal year 2026, Dedicated Cannabis Account distributions to local governments and the state general fund are modified as provided below.

The percent distributed to counties, cities, and towns where licensed cannabis retailers are physically located is increased as follows:

- 2.0 percent for fiscal year 2026;
- 2.5 percent for fiscal year 2027;
- 3.0 percent for fiscal year 2028;
- 3.5 percent for fiscal year 2029; and
- 4.0 percent for fiscal year 2030 and thereafter.

The percent distributed to counties, cities, and towns on a per capita basis provided the jurisdiction does not prohibit cannabis siting is increased as follows:

- 4.0 percent for fiscal year 2026;
- 4.5 percent for fiscal year 2027;
- 5.0 percent for fiscal year 2028;
- 5.5 percent for fiscal year 2029; and
- 6.0 percent for fiscal year 2030 and thereafter.

### B. SUMMARY OF EXPENDITURE IMPACTS

*Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.*

This legislation would not directly impact local government expenditures.

### C. SUMMARY OF REVENUE IMPACTS

*Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.*

The Liquor and Cannabis Board estimates the following increase in local government revenue as a result of this legislation:

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

For the purposes of analysis, this increase in local revenue is assumed to be split 50 percent for counties and 50 percent for cities based upon information contained in the Joint Legislative Audit and Review Committee Report "Dedicated Cannabis Account appropriations and expenditures" Appendix C, 24-01 published in January 2024.

#### SOURCES:

Liquor and Cannabis Board FN SB 5547 (2025)  
Joint Legislative Audit and Review Committee