

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5206 SB	<b>Title:</b> Cannabis advertising
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## Estimated Cash Receipts

NONE

## 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
Liquor and Cannabis Board	.6	0	0	156,272	.5	0	0	129,652	.4	0	0	103,032
Department of Health	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Transportation	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.6	0	0	156,272	0.5	0	0	129,652	0.4	0	0	103,032

## Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Liquor and Cannabis Board	.0	0	0	.0	0	0	.0	0	0
Department of Health	.0	0	0	.0	0	0	.0	0	0
Department of Transportation	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

## Estimated Capital Budget Breakout

NONE

<b>Prepared by:</b> Val Terre, OFM	<b>Phone:</b> (360) 280-3073	<b>Date Published:</b> Final 2/ 6/2025
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5206 SB	<b>Title:</b> Cannabis advertising	<b>Agency:</b> 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 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.6	0.6	0.6	0.5	0.4
<b>Account</b>					
Liquor Revolving Account-State 501-1	78,136	78,136	156,272	129,652	103,032
<b>Total \$</b>	78,136	78,136	156,272	129,652	103,032

### 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: Marlon Llanes	Phone: 360-786-7423	Date: 01/23/2025
Agency Preparation: Colin O Neill	Phone: (360) 664-4552	Date: 02/05/2025
Agency Approval: Aaron Hanson	Phone: 360-664-1701	Date: 02/05/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 02/06/2025

## 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(2a): language is changed to allow four signs outside of a cannabis retailer, rather than two.

Section 1(2b) language is added regarding advertising specifications. Each advertisement sign must be:

- (i) Affixed on the building of the licensed location; or
- (ii) Hanging in the windows of the licensed location.

Section 1(2c)

(i) Any advertising signs that are visible to the public from the public right-of-way, whether on the building or through a window of the building, will be considered advertising for the purposes of this section.

(ii) Signs that are less than 512 square inches are not considered advertising for purposes of this section if the sign does not include any brand names, trade names, or images of any cannabis product and only indicates information including, but not limited to:

- (A) Hours of operation;
- (B) Business is open or closed;
- (C) The presence of an ATM machine;
- (D) The word "welcome";
- (E) Required signs or notices; and
- (F) Community notices.

Section 1(3) (a) In addition to the four signs described in subsection (2) of this section, licensed businesses may use separate trade name signs.

(b) Trade name signs must comply with local authority regulations related to the size and number of signs for the city, town, or county in which the licensed cannabis retailer is located. The enforcement of the size and number of trade name signs and billboards is the responsibility of the city, town, or county in which the licensed cannabis retailer is located.

(c) Trade name signs may only reflect the trade name of the licensed business and may not contain cannabis products or product brand names.

Section 1(4) All signage, advertising, and billboard content is prohibited if the content portrays:

- (a) Alcohol or its use;
- (b) Tobacco or nicotine or its use; or
- (c) Any association with a motor vehicle or operation of a motor vehicle.

Section 1(5) Any cannabis-related advertising in any business licensed by the board under chapter 70.345, 82.24, or 82.26 RCW is prohibited

Section 1(7) Nothing in this section prohibits the use of other signage that does not represent cannabis or cannabis products, the business trade name, nature of the business, or contains only general information not related to the products or services of the cannabis business.

Section 1(11d) A cannabis licensee may not: advertise, offer for sale, or sell cannabis at less than acquisition cost. This subsection does not apply to any sales made for a product designated for medical cannabis use by qualifying patients as defined in RCW 69.51A.010.

### 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 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 has estimated the workload impact of this bill to be derived from contacts, ad complaints, support and education to licensees and local officials, and notices to correct. Please see the attached "5206 SB Cannabis advertising - Enforcement Field Increment Calculator.pdf" for the workload calculations.

FY26-28:

0.2 FTE LCB Enforcement Officer 2 - \$28,346/yr (\$23,732 salary/benefits, \$4,614 in associated costs).

0.4 FTE Administrative Regulations Analyst 3 - \$49,790/yr (\$40,562 salary/benefits, \$9,228 in associated costs).

FY29+:

0.1 FTE LCB Enforcement Officer 2 - \$14,174/yr (\$11,867 salary/benefits, \$2,307 in associated costs).

0.3 FTE Administrative Regulations Analyst 3 - \$37,342/yr (\$30,421 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	78,136	78,136	156,272	129,652	103,032
<b>Total \$</b>			78,136	78,136	156,272	129,652	103,032

**III. B - Expenditures by Object Or Purpose**

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.6	0.6	0.6	0.5	0.4
A-Salaries and Wages	49,527	49,527	99,054	82,337	65,620
B-Employee Benefits	14,767	14,767	29,534	24,245	18,956
C-Professional Service Contracts					
E-Goods and Other Services	5,682	5,682	11,364	9,470	7,576
G-Travel	7,560	7,560	15,120	12,600	10,080
J-Capital Outlays	600	600	1,200	1,000	800
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	78,136	78,136	156,272	129,652	103,032

**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
Administrative Regulations Analyst 3	80,460	0.4	0.4	0.4	0.4	0.3
LCB Enforcement Officer 2	86,712	0.2	0.2	0.2	0.2	0.1
<b>Total FTEs</b>		0.6	0.6	0.6	0.5	0.4

**III. D - Expenditures By Program (optional)**

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Enforcement Division (060)	78,136	78,136	156,272	129,652	103,032
<b>Total \$</b>	78,136	78,136	156,272	129,652	103,032

**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**

**5206 SB "Cannabis advertising" (FY26)**

	Number of events	Time Factor	Staffing Factor	Officer	Consultant
Complaint Investigations Cannabis (ads)	40	20	1.3	350	691
Non RVP Member Support and Education	121	7	1	282	558
Support to local officials	24	5	1.3	52	103
Notice to Correct	34	10	1	0	338

Factors	Values
contacts by education coordinator (license count)	345
Ad complaints 2024 (license counts)	115
Complaint Investigations Cannabis	35%
Non RVP Member Support and Education	35%
Support to local officials	24
Notice to Correct (historical data)	84%

<b>Total FI's</b>	<b>684</b>	<b>1,690</b>
Total Field Increments per FTE	4,220	4,220
FTE's required	0.16	0.40
<b>Round</b>	<b>0.20</b>	<b>0.40</b>

**FY27**

	Number of events	Time Factor	Staffing Factor	Officer	Consultant
Complaint Investigations Cannabis (ads)	40.25	20	1.3	350	691
Non RVP Member Support and Education	103.5	7	1	242	478
Support to local officials	24	5	1.3	52	103
Notice to Correct	34	10	1	0	338

Factors	Values
contacts by education coordinator (license count)	345
Ad complaints 2024 (license counts)	115
Complaint Investigations Cannabis	35%
Non RVP Member Support and Education	30%
Support to local officials	24
Notice to Correct (historical data)	84%

<b>Total FI's</b>	<b>644</b>	<b>1,610</b>
Total Field Increments per FTE	4,220	4,220
FTE's required	0.15	0.38
<b>Round</b>	<b>0.20</b>	<b>0.40</b>

**FY28**

	Number of events	Time Factor	Staffing Factor	Officer	Consultant
Complaint Investigations Cannabis (ads)	40	20	1.3	350	691
Non RVP Member Support and Education	86	7	1	202	398
Support to local officials	12	5	1.3	26	51
Notice to Correct	34	10	1	0	338

Factors	Values
contacts by education coordinator (license count)	345
Ad complaints 2024 (license counts)	115
Complaint Investigations Cannabis	35%
Non RVP Member Support and Education	25%
Support to local officials	12
Notice to Correct (historical data)	84%

<b>Total FI's</b>	<b>577</b>	<b>1,479</b>
Total Field Increments per FTE	4,220	4,220
FTE's required	0.14	0.35
<b>Round</b>	<b>0.20</b>	<b>0.40</b>

**FY29+**

	Number of events	Time Factor	Staffing Factor	Officer	Consultant
Complaint Investigations Cannabis (ads)	35	20	1.3	300	592
Non RVP Member Support and Education	69	7	1	161	319
Support to local officials	12	5	1.3	26	51
Notice to Correct	29	10	1	0	290

Factors	Values
contacts by education coordinator (license count)	345
Ad complaints 2024 (license counts)	115
Complaint Investigations Cannabis	30%
Non RVP Member Support and Education	20%
Support to local officials	12
Notice to Correct (historical data)	84%

<b>Total FI's</b>	<b>487</b>	<b>1,252</b>
Total Field Increments per FTE	4,220	4,220
FTE's required	0.12	0.30
<b>Round</b>	<b>0.10</b>	<b>0.30</b>

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5206 SB	<b>Title:</b> Cannabis advertising	<b>Agency:</b> 303-Department of Health
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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:

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- 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: Marlon Llanes	Phone: 360-786-7423	Date: 01/23/2025
Agency Preparation: Katherine Wolf	Phone: 3602363000	Date: 01/24/2025
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 01/24/2025
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/30/2025

## 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 bill amends RCW 69.50.369 to impose stricter regulations on cannabis retailer advertising in Washington.

Section 1.1 prohibits licensed cannabis businesses from placing advertisements within one thousand feet of schools, playgrounds, and other youth-oriented locations, specifically targeting establishments that allow entry to individuals under 21 years of age.

Section 1.2 increases the number of signs that cannabis retailers can display outside their premises to four, with specific size restrictions and content requirements.

Section 1.10 requires any advertisement for a cannabis business to indicate that only persons 21 may purchase or possess cannabis items, displayed in a size to be easily read by consumers.

The Department is not directed to provide any actions in this bill, therefore no Fiscal Impact.

### 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.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5206 SB	<b>Title:</b> Cannabis advertising	<b>Agency:</b> 405-Department of Transportation
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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: Marlon Llanes	Phone: 360-786-7423	Date: 01/23/2025
Agency Preparation: Nicole Knudson	Phone: 360-705-7293	Date: 01/28/2025
Agency Approval: Andrea Fortune	Phone: 360-705-6823	Date: 01/28/2025
OFM Review: Maria Thomas	Phone: (360) 229-4717	Date: 01/28/2025

## 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 agency fiscal note,

### 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.*

# Individual State Agency Fiscal Note

**Bill Number:** 5206 SB      **Title:** Cannabis advertising      **Agency:** 405-Department of Transportation

## Part I: Estimates

- No Fiscal Impact (Explain required in section II. A)
- Indeterminate Cash Receipts Impact (Explain in section II. B)
- Partially Indeterminate Cash Receipts Impact (Explain in section II. B)
- Indeterminate Expenditure Impact (Explain in section II. C)
- Partially Indeterminate Expenditure Impact (Explain in section II. C)

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- If fiscal impact is less 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 greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, **complete entire fiscal note form Parts I-V**
  - Capital budget impact, **complete Part IV**
  - Requires new rule making, **complete Part V**
  - Revised

### Fiscal Detail

N/A

### Agency Assumptions

N/A

### Agency Contacts:

Preparer: Nicole Knudson	Phone: 360-705-7293	Date: 1/27/2025
Approval: Andrea Fortune	Phone: 360-705-7855	Date: 1/27/2025
Budget Manager: Stephanie Hardin	Phone: 360-709-8212	Date: 1/27/2025

## Part II: Narrative Explanation

### II. A - Brief description of what the measure does that has fiscal impact

Section 15 clarifies that "Adopt-a-Highway" signs put up by the Washington State Department of Transportation (WSDOT) as part of an active sponsorship agreement are not considered advertising and has no fiscal impact. This does not impact WSDOT's costs in any way.

### II. B – Cash Receipts Impact

N/A

### II. C - Expenditures

N/A

# Individual State Agency Fiscal Note

## **Part III: Expenditure Detail**

### **III. A - Expenditures by Object or Purpose**

N/A

## **Part IV: Capital Budget Impact**

N/A

## **Part V: New Rule Making Required**

N/A