

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5183 SB	<b>Title:</b> Tobacco & nicotine products
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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
Office of Attorney General	0	0	103,000	0	0	57,000	0	0	46,000
Department of Revenue	(212,400,000)	(212,400,000)	(234,288,000)	(290,200,000)	(290,200,000)	(321,124,000)	(280,800,000)	(280,800,000)	(311,724,000)
<b>Total \$</b>	<b>(212,400,000)</b>	<b>(212,400,000)</b>	<b>(234,185,000)</b>	<b>(290,200,000)</b>	<b>(290,200,000)</b>	<b>(321,067,000)</b>	<b>(280,800,000)</b>	<b>(280,800,000)</b>	<b>(311,678,000)</b>

## 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 the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Attorney General	1.1	188,000	188,000	291,000	.4	0	0	57,000	.3	0	0	46,000
Department of Revenue	3.0	633,300	633,300	633,300	.3	60,400	60,400	60,400	.3	60,400	60,400	60,400
Liquor and Cannabis Board	4.5	0	0	1,602,084	2.0	0	0	623,904	2.0	0	0	612,904
Department of Health	.5	1,641,000	1,641,000	1,641,000	.0	1,016,000	1,016,000	1,016,000	.0	1,016,000	1,016,000	1,016,000
<b>Total \$</b>	<b>9.1</b>	<b>2,462,300</b>	<b>2,462,300</b>	<b>4,167,384</b>	<b>2.7</b>	<b>1,076,400</b>	<b>1,076,400</b>	<b>1,757,304</b>	<b>2.6</b>	<b>1,076,400</b>	<b>1,076,400</b>	<b>1,735,304</b>

## Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.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
Department of Health	.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> Amy Hatfield, OFM	<b>Phone:</b> (360) 280-7584	<b>Date Published:</b> Final 2/14/2025
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5183 SB	<b>Title:</b> Tobacco & nicotine products	<b>Agency:</b> 075-Office of the Governor
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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: Greg Attanasio	Phone: 360-786-7410	Date: 01/21/2025
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 01/24/2025
Agency Approval: Kathy Cody	Phone: (360) 480-7237	Date: 01/24/2025
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.*

Per section 7 the Governor may seek government-to-government consultations with Federally recognized Indian tribes regarding prohibiting the sale or offer for sale of any flavored tobacco, nicotine product, or entertainment vapor product, and the display, marketing, or advertising for sale of such products.

The Office estimates this work can be accomplished within current resources and therefore doesn't have a 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> 5183 SB	<b>Title:</b> Tobacco & nicotine products	<b>Agency:</b> 100-Office of Attorney General
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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
Legal Services Revolving Account-State 405-1	43,000	60,000	103,000	57,000	46,000
<b>Total \$</b>	43,000	60,000	103,000	57,000	46,000

### Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.0	1.2	1.1	0.4	0.3
<b>Account</b>					
General Fund-State 001-1	94,000	94,000	188,000	0	0
Legal Services Revolving Account-State 405-1	43,000	60,000	103,000	57,000	46,000
<b>Total \$</b>	137,000	154,000	291,000	57,000	46,000

### 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: Greg Attanasio	Phone: 360-786-7410	Date: 01/21/2025
Agency Preparation: Cassandra Jones	Phone: 360-709-6028	Date: 01/24/2025
Agency Approval: Leah Snow	Phone: 360-586-2104	Date: 01/24/2025
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: New section. Legislative intent.

Section 2: New section. Definitions.

Section 3: New section. Prohibits a retailer from selling or advertising for sale any flavored tobacco or nicotine product or entertainment vapor product beginning January 1, 2026.

Section 4: New section. Requires the Department of Health (DOH) to develop and maintain a statewide tobacco and nicotine products and entertainment vapor products prevention and awareness campaign. Requires DOH to report to the Legislature regarding the program by January 1, 2026.

Section 5: New section. Requires the Liquor and Cannabis Board (LCB) to adopt rules to implement the chapter and for compliance education for retailers, distributors, and manufacturers relating to abating violations of the chapter and the rules

Section 6: New section. Specifies that it is an unfair or deceptive practice under the Consumer Protection Act (CPA) for any retailer to sell or advertise any flavored tobacco or nicotine product or any entertainment vapor product in the state.

Section 7: New section. Allows the Governor to seek government-to-government consultations with federally recognized Indian tribes regarding prohibiting the sale of flavored tobacco or nicotine or entertainment vapor products.

Section 8: Amends RCW 70.155.020 to require a person who holds a license to sell cigarettes to display a sign concerning the prohibition of the sale of flavored tobacco and nicotine products in the state.

Section 9: Amends RCW 70.155.100 to allow the LCB to suspend or revoke a retailer's license or impose penalties for violations of Section 3 of the Act.

Section 10: Amends RCW 70.345.070 to require a person who holds a retailer's license for vapor products to display a sign concerning the prohibition of the sale of flavored tobacco and nicotine products in the state.

Section 11: Amends RCW 70.345.180 to allow the LCB to impose a monetary penalty if the licensee violates Section 3 of the Act.

Section 12: Amends RCW 82.25.005 to modify the definition of vapor product.

Section 13: Amends RCW 82.26.010 to modify the definition of tobacco product.

Section 14: New section. Codification instruction.

Section 15: New section. Severability clause.

### 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.*

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is the Liquor and Cannabis Board (LCB). The Attorney General’s Office (AGO) will bill all clients for legal services rendered.

These cash receipts represent the AGO’s authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agency’s fiscal note. Appropriation authority is necessary in the AGO budget.

**AGO AGENCY ASSUMPTIONS:**

LCB will be billed for non-King County rates:

FY 2026: \$43,000 for 0.2 Assistant Attorney General FTE (AAG) and 0.1 Paralegal 1 FTE (PL1)

FY 2027: \$60,000 for 0.3 AAG and 0.1 PL1

FY 2028: \$34,000 for 0.2 AAG and 0.1 PL1

FY 2029 and in each FY thereafter: \$23,000 for 0.1 AAG and 0.1 PL1

**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.*

**Attorney General’s Office (AGO) Agency Assumptions:**

Legal services associated with the enactment of this bill will begin on July 1, 2025.

Location of staffing is assumed to be in King County and non-King County office buildings.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 FTE (MA) is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 Paralegal 1 FTE (PL1) and 0.4 MA.

**1. Assumptions for the AGO Consumer Protection Division (CPR):**

Assumes an initial period of modest investigation and enforcement activity to monitor and encourage compliance with the advertising prohibition, followed by a high degree of compliance with the bill. Assumes enforcement of prohibition on sales will be a priority for the Liquor and Cannabis Board (LCB). An investigator is needed for investigating potential violations, interviewing witnesses, and other investigative tasks as assigned. CPR activities are funded with General Fund-State dollars. CPR enforces the Consumer Protection Act (CPA) with respect to conduct that is made unlawful under RCW 19.86.020, which broadly prohibits unfair or deceptive acts or practices in trade or commerce. CPR focus is on representations and failures to disclose terms and conditions.

CPR: Total King County workload impact:

FY 2026 and FY 2027: \$94,000 for 0.2 AAG, 0.1 PL1, and 0.2 Senior Investigator FTE (INV)

**2. Assumptions for the AGO Government Compliance & Enforcement Division (GCE) Legal Services for LCB:**

GCE will bill LCB for legal services based on the enactment of this bill. This bill would define the term “entertainment vapor product” and would prohibit tobacco product and vapor product retailers from advertising, selling or offering for sale any flavored tobacco, nicotine, or entertainment vapor product beginning January 1, 2026. This bill would create a rebuttable presumption that a product was flavored if the manufacturer or retailer indicates the product has a taste or smell other than



tobacco or that it creates a cooling or numbing sensation. LCB would be authorized to impose fines, suspend, or revoke a license for violations of the chapter. This bill would also create new public notice requirements for tobacco and vapor licensees. Finally, the bill would require LCB to engage in rulemaking to implement the new requirements. Although the AGO Licensing & Administrative Law Division (LAL) provides general legal advice to LCB, GCE assumes they would be asked to review and provide comments on the new rule proposals resulting from this bill. GCE further assumes this new work would occur in FY 2026 and would result in an increase of ten AAG hours. LCB assumes enforcement of the provisions of this bill would result in six new administrative litigation cases in the second half of FY 2026, 10 new cases in FY 2027, six new cases in FY 2028, and four new cases in FY 2029 and each year thereafter.

GCE: Total non-King County workload impact:

FY 2026: \$32,000 for 0.1 AAG and 0.1 PL1

FY 2027: \$49,000 for 0.2 AAG and 0.1 PL1

FY 2028: \$29,000 for 0.1 AAG and 0.1 PL1

FY 2029 and in each FY thereafter: \$20,000 for 0.1 AAG and 0.1 PL1

3. Assumptions for the AGO LAL division Legal Services for LCB:

The enactment of this bill imposes rulemaking requirements on LCB (Section 5). Further, the bill authorizes government to consultation with tribes regarding the sale of flavored tobacco products (Section 7) and LCB would likely be leading these consultations and any resulting compact negotiations. The bill requires LCB to change the advertising sign language regarding underage sale of tobacco products to include a prohibition on the sale of flavored tobacco products (Section 8 and 10). LCB is also authorized to suspend or revoke a retailer license and require payment of a penalty for violating the new provision of the bill (Section 9 and 11) such work would likely be handled by GCE.

LAL: Total non-King County workload impact:

FY 2026 and FY 2027: \$11,000 for 0.1 AAG and 0.1 PL1

FY 2028: \$5,000 for 0.1 AAG and 0.1 PL1

FY 2029 and in each FY thereafter: \$3,000 for 0.1 AAG and 0.1 PL1

4. The AGO Revenue Division (REV) has reviewed this bill and determined it will not significantly increase or decrease the division’s workload in representing the Department of Revenue (DOR). The bill expands definitions in the tax code related to “vapor products” and “tobacco products.” REV does not expect these changes to significantly impact legal services to DOR. REV may be asked to review DOR rules related to these products, but REV does not anticipate any litigation services because of this legislation. New legal services are nominal, and costs are not included in this request.

5. The AGO Agriculture & Health Division (AHD) has reviewed this bill and determined it will not significantly increase or decrease the division’s workload. The enactment of this bill will not impact legal services to Department of Health (DOH). New legal services are nominal, and costs are not included in this request.

Total workload impact:

FY 2026: \$137,000 for 0.4 AAG, 0.1 PL1, and 0.1 INV

FY 2027: \$154,000 for 0.5 AAG, 0.2 PL1, and 0.1 INV

FY 2028: \$34,000 for 0.2 AAG and 0.1 PL1

FY 2029 and in each FY thereafter: \$23,000 for 0.1 AAG and 0.1 PL1

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	94,000	94,000	188,000	0	0
405-1	Legal Services Revolving Account	State	43,000	60,000	103,000	57,000	46,000
<b>Total \$</b>			137,000	154,000	291,000	57,000	46,000

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

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.0	1.2	1.1	0.4	0.3
A-Salaries and Wages	94,000	106,000	200,000	39,000	32,000
B-Employee Benefits	28,000	31,000	59,000	12,000	10,000
E-Goods and Other Services	14,000	16,000	30,000	6,000	4,000
G-Travel	1,000	1,000	2,000		
<b>Total \$</b>	137,000	154,000	291,000	57,000	46,000

**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
Assistant Attorney General	132,912	0.2	0.3	0.3	0.2	0.1
Assistant Attorney General-King County	139,558	0.2	0.2	0.2		
Management Analyst 5	98,040	0.2	0.2	0.2	0.1	0.1
Paralegal 1	71,148	0.1	0.2	0.2	0.1	0.1
Paralegal 1-King County	74,700	0.1	0.1	0.1		
Senior Investigator-King County	108,156	0.2	0.2	0.2		
<b>Total FTEs</b>		1.0	1.2	1.1	0.4	0.3

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

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Consumer Protection Division (CPR)	94,000	94,000	188,000		
Government Compliance & Enforcement Division (GCE)	32,000	49,000	81,000	49,000	40,000
Licensing & Administrative Law Division (LAL)	11,000	11,000	22,000	8,000	6,000
<b>Total \$</b>	137,000	154,000	291,000	57,000	46,000

**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> 5183 SB	<b>Title:</b> Tobacco & nicotine products	<b>Agency:</b> 140-Department of Revenue
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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
GF-STATE-State 01 - Taxes 01 - Retail Sales Tax	(16,200,000)	(38,700,000)	(54,900,000)	(77,100,000)	(77,400,000)
GF-STATE-State 01 - Taxes 05 - Bus and Occup Tax	(1,200,000)	(2,800,000)	(4,000,000)	(5,600,000)	(5,600,000)
GF-STATE-State 01 - Taxes 25 - Cigarette Tax	(31,000,000)	(71,500,000)	(102,500,000)	(133,700,000)	(121,300,000)
GF-STATE-State 01 - Taxes 26 - Other Tobacco Tax	(14,900,000)	(36,100,000)	(51,000,000)	(73,800,000)	(76,500,000)
Andy Hill Cancer Research Endowment Fund Match Transfer Account-State 01 - Taxes 70 - Other Taxes	(3,200,000)	(7,700,000)	(10,900,000)	(15,400,000)	(15,400,000)
Foundational Public Health Services Account-State 01 - Taxes 70 - Other Taxes	(3,200,000)	(7,700,000)	(10,900,000)	(15,400,000)	(15,400,000)
Performance Audits of Government Account-State 01 - Taxes 01 - Retail Sales Tax	(26,000)	(62,000)	(88,000)	(124,000)	(124,000)
<b>Total \$</b>	(69,726,000)	(164,562,000)	(234,288,000)	(321,124,000)	(311,724,000)

### Estimated Expenditures from:

Account	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	4.2	1.8	3.0	0.3	0.3
GF-STATE-State 001-1	452,600	180,700	633,300	60,400	60,400
<b>Total \$</b>	452,600	180,700	633,300	60,400	60,400

### 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:	Greg Attanasio	Phone: 60-786-7410	Date: 01/21/2025
Agency Preparation:	Van Huynh	Phone: 60-534-1512	Date: 01/23/2025
Agency Approval:	Marianne McIntosh	Phone: 60-534-1505	Date: 01/23/2025
OFM Review:	Megan Tudor	Phone: (360) 890-1722	Date: 02/14/2025

Request # 5183-1-1

## 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:

Washington does not prohibit retailers from selling flavored tobacco or nicotine products or entertainment vapor products.

Three primary product categories exist:

- Cigarettes
- Vapor products
- Other tobacco products (OTP)

The cigarette tax is on the sale, use, consumption, handling, possession, or distribution of cigarettes in Washington. The tax rate is \$3.025/pack of 20 cigarettes.

The vapor product tax rates are based on the volume of solution and type of container. Accessible containers of solution with more than 5mL are taxed at \$0.09/mL and all others are taxed at \$0.27/mL.

The OTP tax is on the sale, use, consumption, handling or distribution of cigars, pipe tobacco, chewing tobacco, and other forms of tobacco, except cigarettes. The tax rates on these products vary.

#### PROPOSAL:

Starting January 1, 2026, no retailer may sell, display, market, or advertise for sale:

- Flavored tobacco or nicotine products.
- Entertainment vapor products.

A tobacco or nicotine product is a flavored tobacco or nicotine product if it imparts a taste or smell other than the taste or smell of tobacco or a cooling or numbing sensation. Evidence may include, but is not limited to, the use of terms such as "cool," "chill," "ice," "fresh," "arctic," or "frost" to describe the product.

“Flavored” includes the taste or smell of fruit, chocolate, vanilla, honey, candy, cocoa, dessert, alcoholic beverage, mint, wintergreen, menthol, herb, or spice.

A tobacco or nicotine product is any:

- Product containing, made of, or derived from tobacco or nicotine intended for human consumption or likely to be consumed, whether inhaled, absorbed, or ingested by any other means, including, but not limited to, a cigarette, a cigar, pipe tobacco, chewing tobacco, snuff, or snus;
- Vapor product or any aerosolized or vaporized substance by such product, whether or not the substance contains nicotine.
- A component, part, or accessory of a product, regardless of whether such component, part, or accessory contains tobacco or nicotine, including but not limited to filters, rolling papers, blunt or hemp wraps, hookahs, flavor enhancers, mouthpieces, or pipes.

An entertainment vapor product is a vapor product that has interactive gaming or entertainment features, including but not limited to, allowing a user to play music or audio, display photos or video, play virtual games, or display other animations on the device.

#### 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.*

### ASSUMPTIONS:

- The growth rates mirror the Economic and Revenue Forecast Council November 2024 forecast for cigarette and other tobacco products.
- This proposal takes effect January 1, 2026, and impacts five months of collections in fiscal year 2026.
- Menthol cigarettes make up 36% of all cigarettes.
- A pack of cigarettes costs \$10.14.
- The price of a disposable vapor product is \$7.49 (small) and \$19.15 (large).
- The price of a nicotine pod is \$5.86.

Under this bill, Washington will lose the following percentages of currently taxable sales:

- 66.3% of vapor products (small).
- 76.7% of vapor products (large).
- 79.2% of other tobacco products (OTP).

### Cigarette details:

- 36% of taxable cigarette sales in Washington are assumed to be menthol flavored.
- Breakdown of these menthol cigarettes (and their tax revenue impacts) under this bill:

- 1) 13.3% of menthol cigarette sales will convert to non-menthol cigarette sales, as menthol cigarette smokers will switch to non-menthol cigarettes as substitutes. This results in increased taxed sales of non-menthol cigarettes.
- 2) 4.3% of menthol cigarette sales will be lost, as some menthol cigarette smokers will quit resulting in tax revenue loss.
- 3) The remaining 82.4% of menthol cigarette sales will also be lost, as menthol cigarette smokers will obtain cigarettes from untaxed sources. This results in tax revenue loss.

### DATA SOURCES:

- Department of Revenue tax returns and vapor schedules
- Economic and Revenue Forecast Council, November 2024 forecast for cigarette and other tobacco products
- Massachusetts Department of Revenue, cigarette tax collections
- Orzechowski & Walker (Consulting). "Tax Burden on Tobacco, 2021."
- Moneyzine. "A Guide to Cigarette Prices by State, 2024." <https://moneyzine.com/personal-finance-resources/cigarette-prices-by-state/>
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- Mitchell Hamline School of Law. "San Francisco's Flavored Tobacco Products Policy: A Case Study." <https://www.publichealthlawcenter.org/>

### REVENUE ESTIMATES:

This bill decreases state revenues by an estimated \$69.7 million in the five months of impacted collections in fiscal year 2026, and by \$164.6 million in fiscal year 2027, the first full year of impacted collections.

This bill also decreases local revenues by an estimated \$6.0 million in the four months of impacted collections in fiscal year

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2026, and by \$12.0 million in fiscal year 2027, the first full year of impacted collections.

**TOTAL REVENUE IMPACT:**

State Government (cash basis, \$000):

FY 2026 -	(\$ 69,726)
FY 2027 -	(\$ 164,562)
FY 2028 -	(\$ 161,962)
FY 2029 -	(\$ 159,162)
FY 2030 -	(\$ 156,862)
FY 2031 -	(\$ 154,862)

Local Government, if applicable (cash basis, \$000):

FY 2026 -	(\$ 5,982)
FY 2027 -	(\$ 12,044)
FY 2028 -	(\$ 11,995)
FY 2029 -	(\$ 11,964)
FY 2030 -	(\$ 11,990)
FY 2031 -	(\$ 12,077)

**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.*

**ASSUMPTIONS:**

- This proposal affects approximately 4,000 taxpayers.
- Tribal consultation costs are not included.
- While the legislation contemplates product bans, any banned selling activity that occurs in violation of this legislation will be subject to the other tobacco products tax and retail sales tax. As a result, the department anticipates the Liquor and Cannabis Board will increase compliance and enforcement actions which will also result in tax assessments administered by the department. Consequently, it is assumed that labor costs will increase for additional tobacco tax assessments and administrative reviews.

**FIRST YEAR COSTS:**

The department will incur total costs of \$452,600 in fiscal year 2026. These costs include:

Labor Costs – Time and effort equate to 4.19 FTEs.

- Amend one administrative rule.
- Create a special notice and update relevant information on the department’s website.
  - Hear additional administrative reviews that provide taxpayers with an informal, non-adversarial dispute resolution process for the review of a disputed action by the department, such as an assessment of taxes, notice of taxes due, denial of a refund request, or tax ruling.
    - Process tax return work items, assist taxpayers with reporting questions and respond to inquiries via email, web message and paper correspondence.
    - Examine accounts and make corrections as necessary.
    - Answer additional phone calls and counter inquiries from businesses, individuals, and accountants regarding tax questions and tax return preparation.

**SECOND YEAR COSTS:**

The department will incur total costs of \$180,700 in fiscal year 2027. These costs include:

Labor Costs – Time and effort equate to 1.8 FTEs.

- Process tax return work items, assist taxpayers with reporting questions, and respond to inquiries via email, web message, and paper correspondence.
- Examine accounts and make corrections as necessary.

**ONGOING COSTS:**

Ongoing costs for the 2027-29 biennium equal \$60,400 and include similar activities described in the second-year costs. Time and effort equate to 0.3 FTE.

**Part III: Expenditure Detail**

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

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	4.2	1.8	3.0	0.3	0.3
A-Salaries and Wages	276,000	112,200	388,200	37,200	37,200
B-Employee Benefits	99,300	40,400	139,700	13,400	13,400
E-Goods and Other Services	60,600	24,700	85,300	8,600	8,600
J-Capital Outlays	16,700	3,400	20,100	1,200	1,200
<b>Total \$</b>	\$452,600	\$180,700	\$633,300	\$60,400	\$60,400

**III. B - Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
EMS BAND 4	135,635	0.0		0.0		
EXCISE TAX EX 1	47,988	0.2	0.1	0.2		
EXCISE TAX EX 2	59,844	1.8	0.9	1.4	0.2	0.2
EXCISE TAX EX 3	66,012	1.3	0.7	1.0	0.1	0.1
EXCISE TAX EX 4	72,924	0.1	0.1	0.1		
MGMT ANALYST4	78,468	0.0		0.0		
TAX INFO SPEC 1	47,988	0.1		0.1		
TAX POLICY SP 2	80,460	0.1		0.1		
TAX POLICY SP 3	91,068	0.5		0.2		
TAX POLICY SP 4	98,040	0.1		0.1		
WMS BAND 2	101,410	0.0		0.0		
WMS BAND 3	115,352	0.0		0.0		
<b>Total FTEs</b>		4.2	1.8	3.0	0.3	0.3

**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**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

Should this legislation become law, the department will use the expedited process to amend WAC 458-20-185, titled: "Tax on tobacco products." This rulemaking would affect taxpayers with a cigarette, other tobacco product (OTP), or vapor sales endorsement.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5183 SB	<b>Title:</b> Tobacco & nicotine products	<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	6.0	3.0	4.5	2.0	2.0
<b>Account</b>					
Liquor Revolving Account-State 501-1	1,116,906	485,178	1,602,084	623,904	612,904
<b>Total \$</b>	1,116,906	485,178	1,602,084	623,904	612,904

### 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: Greg Attanasio	Phone: 360-786-7410	Date: 01/21/2025
Agency Preparation: Colin O Neill	Phone: (360) 664-4552	Date: 01/28/2025
Agency Approval: Aaron Hanson	Phone: 360-664-1701	Date: 01/28/2025
OFM Review: Gwen Stamey	Phone: (360) 790-1166	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.*

Section 1(2) The legislature intends to prohibit the sale of all flavored tobacco and nicotine products and entertainment vapor products to reduce youth usage and protect the next generation from a lifetime of addiction and premature death.

Section 2:

(1) "Entertainment vapor product" means any vapor product that has interactive gaming or entertainment features including, but not limited to, allowing a user to play music or audio, display photos or video, play virtual games, or display other animations on the device.

(2) "Flavored tobacco or nicotine product" means any tobacco or nicotine product that imparts:

(a) A taste or smell, other than the taste or smell of tobacco, distinguishable by an ordinary consumer either before or during the consumption of such tobacco product including, but not limited to, the taste or smell of fruit, chocolate, vanilla, honey, candy, cocoa, dessert, alcoholic beverage, mint, wintergreen, menthol, herb, or spice; or

(b) A cooling or numbing sensation distinguishable by an ordinary consumer either before or during the consumption of such tobacco product.

Section 3 (1) Beginning January 1, 2026, no retailer may sell, offer for sale, display, market, or advertise for sale in this state, any flavored tobacco or nicotine product or entertainment vapor product.

Section 4. The department of health shall develop, implement, and maintain a statewide flavored tobacco and nicotine products and entertainment vapor products prevention and awareness campaign to address the use of such products.

Section 5. The liquor and cannabis board must adopt rules to implement the requirements of this chapter and for compliance education for licensed retailers, distributors, and manufacturers and their employees relating to abating violations of this chapter and rules adopted under this chapter.

Sec. 8. RCW 70.155.020 (cigarette wholesaler or retailer license signs) is amended to read as follows:

A person who holds a license issued under RCW 82.24.520 or 82.24.530 shall:

(3) Display a sign concerning the prohibition of the sale of flavored tobacco and nicotine products in this state. The sign must:

(a) Be posted so that it is clearly visible to anyone purchasing tobacco products from the licensee;

(b) Be designed and produced by the department of health to read: "THE SALE OF FLAVORED TOBACCO AND NICOTINE PRODUCTS IN THIS STATE IS STRICTLY PROHIBITED BY STATE LAW."; and

(c) Be provided free of charge by the liquor and cannabis board.

Sec. 10. RCW 70.345.070 (vapor signage) is amended to read as follows:

(3) A person who holds a retailer's license issued under this chapter must display a sign concerning the prohibition of the sale of flavored tobacco and nicotine products and entertainment vapor products in this state. Such sign shall:

(a) Be posted so that it is clearly visible to anyone purchasing vapor products or entertainment vapor products from the licensee;

(b) Be designed and produced by the department of health to read: "THE SALE OF FLAVORED TOBACCO AND NICOTINE PRODUCTS AND ENTERTAINMENT VAPOR PRODUCTS IN THIS STATE IS STRICTLY PROHIBITED BY STATE LAW."; and

(c) Be provided free of charge by the liquor and cannabis board.

### 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.*

N/A

## **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.*

### **BOARD DIVISION COSTS:**

The Attorney General's Office (AGO) anticipates billing the Board for legal costs relating to this bill:

FY26: \$43,000

FY27: \$60,000

FY28: \$34,000

FY29: \$23,000

### **ENFORCEMENT DIVISION:**

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

The Enforcement division has determined that the workload impacts from this bill will require 6.0 FTE LCB Enforcement Officer 2 (LEO2) in FY26, 3.0 FTE in FY27, and 2.0 FTE ongoing each year thereafter. This is based on historical data taken from October 2019 - February 2020 when the Board had an emergency ban on flavored vapor products. This would be an added Enforcement responsibility entailing the removal of a product that is widespread throughout the market. During the temporary flavor ban, the assistance from Enforcement Officers was needed throughout the state. It is assumed most education and removal of illegal product will occur in FY26, resulting in the reduced number of FTE needed in FY27 and thereafter to maintain the ban. Please see the attached "5183 SB Tobacco & Nicotine Products - Enforcement Field Increment Calculator.pdf" for workload calculations.

FY26 - 6.0 FTE LCB Enforcement Officer 2 - \$850,356/yr (\$711,936 salary/benefits, \$138,420 in associated costs). Onetime costs in FY26 of \$217,950 for equipment purchases.

FY27 - 3.0 FTE LCB Enforcement Officer 2 - \$425,178/yr (\$355,968 salary/benefits, \$69,210 in associated costs).

FY28+ - 2.0 FTE LCB Enforcement Officer 2 - \$283,452/yr (\$237,312 salary/benefits, \$46,140 in associated costs).

Additionally, sections 8 and 10 of the bill require the Board to provide signage to licensees concerning the prohibition of the sale of flavored tobacco and nicotine products and entertainment vapor products. The signage is to be provided free of charge to the licensees by the Board. The Board estimates the cost to provide the signage in FY26 is \$5,600.

## 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	1,116,906	485,178	1,602,084	623,904	612,904
<b>Total \$</b>			1,116,906	485,178	1,602,084	623,904	612,904

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

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	6.0	3.0	4.5	2.0	2.0
A-Salaries and Wages	520,272	260,136	780,408	346,848	346,848
B-Employee Benefits	191,664	95,832	287,496	127,776	127,776
C-Professional Service Contracts					
E-Goods and Other Services	201,810	88,410	290,220	94,880	83,880
G-Travel	78,600	37,800	116,400	50,400	50,400
J-Capital Outlays	124,560	3,000	127,560	4,000	4,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	1,116,906	485,178	1,602,084	623,904	612,904

### 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	6.0	3.0	4.5	2.0	2.0
<b>Total FTEs</b>		6.0	3.0	4.5	2.0	2.0

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

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Board Division (010)	43,000	60,000	103,000	57,000	46,000
Enforcement Division (060)	1,073,906	425,178	1,499,084	566,904	566,904
<b>Total \$</b>	1,116,906	485,178	1,602,084	623,904	612,904

## 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.*

Sec. 5. The liquor and cannabis board must adopt rules to implement the requirements of this chapter and for compliance education for licensed retailers, distributors, and manufacturers and their employees relating to abating violations of this chapter and rules adopted under this chapter.

**Enforcement Field Increment (FI) Calculator**

**5183 SB Tobacco & Nicotine Products (FY26)**

	<b>Number of events</b>	<b>Time Factor</b>	<b>Staffing Factor</b>	<b>FI Total</b>
Tobacco/Vape Premises checks	4043	2	1.3	10512
Complaint Investigations Other Tobacco Product	404	15	1.3	7884
Non RVP Member Support and Education	404	7	1	2830
Tobacco/Vape Seizure	121	10	1.3	1577
Complex Investigations	40	40	1.3	2102
Out of state investigaions	24	15	1	360

**Total FI's**      **25,265**

**Total Field Increments per FTE**      **4,220**

**FTE's required**      **5.99**

**Round**      **6.00**

<b><u>Factors</u></b>	<b><u>Values</u></b>
Tobacco/Vape Premises checks	100%
Other Tobacco Product investigations	10%
Non RVP Member Support and Education	10%
Tobacco/Vape Seizure	3%
Complex Investigations	10%
Out of state investigaions	24

**License Count**

4043

**Enforcement Field Increment (FI) Calculator**

**5183 SB Tobacco & Nicotine Products (FY27)**

	<b>Number of events</b>	<b>Time Factor</b>	<b>Staffing Factor</b>	<b>FI Total</b>
Tobacco/Vape Premises checks	2022	2	1.3	5256
Complaint Investigations Other Tobacco Product	121	15	1.3	2365
Non RVP Member Support and Education	162	7	1	1132
Tobacco/Vape Seizure	81	10	1.3	1051
Complex Investigations	12	40	1.3	631
Out of state investigaions	24	15	1	360

**Total FI's 10,795**

**Total Field Increments per FTE 4,220**

**FTE's required 2.56**

**Round 3.00**

<b><u>Factors</u></b>	<b><u>Values</u></b>
Tobacco/Vape Premises checks	50%
Other Tobacco Product investigations	3%
Non RVP Member Support and Education	4%
Tobacco/Vape Seizure	2%
Complex Investigations	10%
Out of state investigaions	24

**License Count**

4043



**Enforcement Field Increment (FI) Calculator**

**5183 SB Tobacco & Nicotine Products (FY28+)**

	<b>Number of events</b>	<b>Time Factor</b>	<b>Staffing Factor</b>	<b>FI Total</b>
Tobacco/Vape Premises checks	1011	2	1.3	2628
Complaint Investigations Other Tobacco Product	121	15	1.3	2365
Non RVP Member Support and Education	121	7	1	849
Tobacco/Vape Seizure	40	10	1.3	526
Complex Investigations	12	40	1.3	631
Out of state investigations	24	15	1	360

**Total FI's 7,358**

**Total Field Increments per FTE 4,220**

**FTE's required 1.74**

**Round 2.00**

<b><u>Factors</u></b>	<b><u>Values</u></b>
Tobacco/Vape Premises checks	25%
Other Tobacco Product investigations	3%
Non RVP Member Support and Education	3%
Tobacco/Vape Seizure	1.0%
Complex Investigations	10%
Out of state investigations	24

**License Count**

4043

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5183 SB	<b>Title:</b> Tobacco & nicotine products	<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:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.0	0.0	0.5	0.0	0.0
<b>Account</b>					
General Fund-State 001-1	1,133,000	508,000	1,641,000	1,016,000	1,016,000
<b>Total \$</b>	<b>1,133,000</b>	<b>508,000</b>	<b>1,641,000</b>	<b>1,016,000</b>	<b>1,016,000</b>

### 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: Greg Attanasio	Phone: 360-786-7410	Date: 01/21/2025
Agency Preparation: Katherine Wolf	Phone: 3602363000	Date: 01/23/2025
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 01/23/2025
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/23/2025

## 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 4 requires the Department of Health (DOH) to develop and maintain a statewide flavored tobacco and nicotine products and entertainment vapor products prevention and awareness campaign to address the use of these products. The campaign must educate the public about health risks and the addictive nature of flavored products and must include outreach to both youth and adults. The campaign may also consult with the Health Care Authority (HCA) to include messaging focused on tobacco and nicotine addiction and prevention, and resources for addiction treatment and services. DOH is required to report to the legislature on the status of the campaign by Jan. 1, 2026.

Section 8.3 requires DOH to design and develop a sign concerning the prohibition of flavored tobacco product sales, to be provided free to retailers by the Liquor and Cannabis Board (LCB), which must be posted clearly visible to anyone purchasing tobacco products from the retailer.

### 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.*

#### Section 4

Section 4 directs DOH to develop, implement and maintain a statewide flavored tobacco and nicotine products and entertainment vapor products prevention and awareness campaign to address the use of such products.

DOH will add messaging around flavored tobacco and nicotine products and entertainment vapor products to our existing commercial tobacco and vaping prevention and cessation campaigns (contract). These additions will run statewide, targeting different age demographics. The first fiscal year includes additional money to develop the campaign, as well as initial placement and monitoring. Developing the campaign includes audience research and concept testing, developing effective messaging and branding for each branch, and designing the ads and content. The additional first-year money also would cover the bulk of the transcreation/translation of the campaign messages and graphics into other languages. An evaluation in year 1 will show how the campaign is doing and better inform our strategies; these changes will then be implemented. Subsequent years are for continuation of the campaign, including placement and monitoring, adjustment of messages as needed, and additional transcreation or translation as needed. These budget amounts were chosen as they are at the minimum level to have an effective campaign that meets the needs laid out in the bill, and the budget is in alignment with other statewide behavior change campaigns managed. Contract costs are approximate based on historical experience: \$25,000 for audience research, \$175,000 asset development, and \$700,000 for advertisement buys based on similar campaigns.

FY 2026 total: \$914,000 GFS

FY2027 and ongoing total: \$508,000 GFS

#### Section 8

Initial development, printing and mailing of signage to tobacco and vapor product retailers. Signage development would be developed by the agency's media vendor and in collaboration with external partners. This would include translation of

signage for the 20 languages listed in the DOH language access plan. Cost breakdown mirrors the Tobacco-21 passage where signs were developed, printed, and mailed out. Future costs for signage updates and dissemination would be absorbed within commercial tobacco program funding.

WA State Commercial Tobacco Retailers: Per 2023 annual LCB Report is 5,932 Tobacco Retailers and 4,074 vapor product retailers for a total of 10,006 licensees. A retailer may hold both licenses.

#### Breakdown of Costs:

\$50,030 – based on historical costs of T21 implementation including the printing of signage including posters, stickers, window clings, and educational flyers for retailers. All signage will be offered in multiple languages to be identified by the DOH language access plan.

Costs increases to cover the estimated increase in retailers since 2019 when T21 was implemented, inflation of production. If other costs in translation, shipping and/or design are less than estimated, additional funds will be provided to production. Approximately 10,006 licensees for tobacco and vapor products (while there may be overlap, using the total number ensures complete coverage). Estimated retailer kit of signs, clings, and stickers is \$5.00 per licensee. (10,006 X \$5 = \$50,030)

\$10,000 – storage of materials and mailing services at DES to retailers. Servicing a large number of providers in a 3-month period as signage will need to be shipped to retailers so it is posted by January 1, 2026.

\$5,000 – translation costs of signage to completed inhouse or with statewide media vendor pending costs proposed. Languages will be selected based on the DOH language access plan.

\$9,970 – development of signage design to be completed by statewide media vendor. Costs estimated based on staff time of vendor for initial information gathering and brainstorm during signage development, design and review of signage, and audience testing with external partners.

FY26 \$76,000 one-time GFS

#### Section 4 and 8

##### 1.0 FTE Project Position, Health Services Consultant 3

The Health Education Coordinator will lead the planning, development, implementation, and evaluation of the statewide flavored tobacco and nicotine product awareness campaign. The campaign developed by this position will educate individuals about health risks and addictive nature associated with flavored tobacco products in both youth and adults. The campaign will include messaging focused on tobacco and nicotine addiction prevention, cessation, and resources for addiction treatment/services. This position will attend team meetings and work closely with both the Social Marketing and Public Health Campaigns Team and the Youth Cannabis and Commercial Tobacco Prevention Program, to ensure social marketing efforts and tobacco prevention and cessation efforts across the agency are coordinated. The position will focus on relationship building and consulting with different departments to ensure accuracy of the statewide campaign. This position will also manage contracts for any identified needs or opportunities that are to be completed externally to avoid the limitations of staff capacity. This includes developing statements of work, coordinating and monitoring invoices, budgets, and payments for the vendor, coordinating the planning, development, and evaluation of contract deliverables and providing necessary technical assistance to the contractor. Additionally, a sign will be designed and developed concerning the prohibition of flavored tobacco product sales. This position will partner with LCB to make sure the sign is available to all retailers and visible to anyone purchasing tobacco products. Once established, existing staff can maintain.

This position will also report to the appropriate committees of the legislature regarding the status of such education program by January 1, 2026.

FY2026 total: \$143,000 one-time GFS and 1.0 FTE

FISCAL NOTE SUMMARY TOTAL

FY2026: \$1,133,000 GFS, FTE 1.0 Project Position Health Services Consultant 3

FY2027 and ongoing annually: \$508,000 GFS

Total costs include staff, associated expenses (including good and services, travel, intra-agency and indirect/overhead costs).

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	1,133,000	508,000	1,641,000	1,016,000	1,016,000
<b>Total \$</b>			1,133,000	508,000	1,641,000	1,016,000	1,016,000

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

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.0		0.5		
A-Salaries and Wages	80,000		80,000		
B-Employee Benefits	30,000		30,000		
C-Professional Service Contracts	900,000	500,000	1,400,000	1,000,000	1,000,000
E-Goods and Other Services	111,000	8,000	119,000	16,000	16,000
J-Capital Outlays	3,000		3,000		
T-Intra-Agency Reimbursements	9,000		9,000		
9-					
<b>Total \$</b>		1,133,000	508,000	1,641,000	1,016,000

**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
HEALTH SERVICES CONSULTAN 3	80,460	1.0		0.5		
<b>Total FTEs</b>		1.0		0.5		0.0

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

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Administration (090)	1,133,000	508,000	1,641,000	1,016,000	1,016,000
<b>Total \$</b>		1,133,000	508,000	1,641,000	1,016,000

**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.*