

Multiple Agency Fiscal Note Summary

Bill Number: 1551 E S HB	Title: Cannabis social equity prg.
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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
Department of Commerce	Fiscal note not available											
Office of Administrative Hearings	.0	0	0	0	.0	0	0	0	.0	0	0	0
Liquor and Cannabis Board	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	Fiscal note not available								
Office of Administrative Hearings	.0	0	0	.0	0	0	.0	0	0
Liquor and Cannabis Board	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

Prepared by: Val Terre, OFM	Phone: (360) 280-3073	Date Published: Preliminary 3/19/2025
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Individual State Agency Fiscal Note

Bill Number: 1551 E S HB	Title: Cannabis social equity prg.	Agency: 110-Office of Administrative Hearings
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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: Peter Clodfelter	Phone: 360-786-7127	Date: 03/14/2025
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 03/17/2025
Agency Approval: Rob Cotton	Phone: 360-407-2708	Date: 03/17/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 03/19/2025

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.

No fiscal impact. This legislation will not measurably increase the appeal workload for the Office of Administrative Hearings. Any new work is assumed to be nominal and will be provided with existing resources.

The Liquor & Cannabis Board assumes the changes in this engrossed version eliminate the need for appeals referred to the Office of Administrative Hearings.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

None

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: 1551 E S HB	Title: Cannabis social equity prg.	Agency: 195-Liquor and Cannabis Board
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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: Peter Clodfelter	Phone: 360-786-7127	Date: 03/14/2025
Agency Preparation: Aaron Hanson	Phone: 360-664-1701	Date: 03/17/2025
Agency Approval: Aaron Hanson	Phone: 360-664-1701	Date: 03/17/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 03/19/2025

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 2 (1) extends the cannabis social equity program by two years to July 1, 2034.

Section 2 (6): By December 1, 2025, and within existing resources, the board, in consultation with the department of commerce when specified in this subsection, shall evaluate the cannabis social equity program as provided in this subsection and submit a report to the governor and appropriate committees of the legislature with findings and policy options. In conducting the evaluation, the board shall provide opportunities for public comment on the cannabis social equity program from communities throughout Washington. The evaluation must include the following components:

- (a) A review of feedback received by the board in public comments while the board implements this subsection from individuals the program is intended to benefit, the public, and the cannabis industry;
- (b) An examination of the issuance and reissuance of cannabis retailer licenses that occurred before January 1, 2025, under the provisions of chapter 236, Laws of 2020, including a comparative analysis of the applicants who successfully secured a location and were issued a cannabis retailer license relative to applicants who remain pending but were issued a preliminary letter of approval by the board;
- (c) An examination, in consultation with the department of commerce, of the awarding of grants and the provision of mentorship under RCW 43.330.540 and opportunities for the alignment of the board's implementation of this section with the department of commerce's implementation of RCW 43.330.540;
- (d) The demographic information about owners of licensed cannabis businesses who became licensed under the cannabis social equity program to the extent such information is available or obtainable by the board;
- (e) The identification of any provisions of law or rule and any economic, market, or practical factors that effectively prevent or hinder the successful opening, operation, and business success of cannabis businesses licensed under the cannabis social equity program; and
- (f) An examination of the impact of provisions in laws and rules on cannabis licensees in the cannabis social equity program with respect to: (i) Permissible locations for the siting of licensed cannabis businesses including distance restrictions in RCW 69.50.331(8), zoning or other location restrictions in local government ordinances, and local written objections under RCW 69.50.331(11); (ii) the mobility of cannabis licenses to or between jurisdictions; (iii) the ability of persons holding an existing cannabis retailer license or title certificate for a cannabis retailer business in a local jurisdiction subject to a ban or moratorium on cannabis retail businesses to apply for a cannabis license under this section; (iv) prioritizing license applications through use of a third-party contractor using a scoring rubric developed by the board; (v) restrictions on the transfer or assumption of a cannabis license issued through the cannabis social equity program other than to individuals or groups of individuals who comply with the requirements for initial licensure as a social equity applicant for a period of at least five years from the date of initial licensure; and (vi) the definition of a "social equity applicant."

Section 3: This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

CHANGES MADE BY THE ESHB:

The engrossed version does not include the language from section 2(6)(a) in the substitute "Beginning on the effective date of this section through June 30, 2026, the board may not open a new license application window through the cannabis social equity program, in order for an evaluation of the program to be conducted as provided in this subsection, to ensure successful implementation of the cannabis social equity program."

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.

No fiscal impact as potential legal costs assumed in the prior version of the bill can now be avoided with the changes made in the engrossed version.

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.