

Multiple Agency Fiscal Note Summary

Bill Number: 2194 HB	Title: Home cultivation of cannabis
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Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts	Fiscal note not available					
Loc School dist-SPI						
Local Gov. Other						
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Administrative Office of the Courts	Fiscal note not available											
Caseload Forecast Council	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Revenue	.0	0	0	0	.0	0	0	0	.0	0	0	0
Liquor and Cannabis Board	.1	26,840	26,840	26,840	.2	53,680	53,680	53,680	.2	53,680	53,680	53,680
Washington State Patrol	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Children, Youth, and Families	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Corrections	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Agriculture	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.1	26,840	26,840	26,840	0.2	53,680	53,680	53,680	0.2	53,680	53,680	53,680

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	Fiscal note not available								
Loc School dist-SPI									
Local Gov. Other			633,865						
Local Gov. Other	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Local Gov. Total			633,865						

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	Fiscal note not available								
Caseload Forecast Council	.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
Washington State Patrol	.0	0	0	.0	0	0	.0	0	0
Department of Children, Youth, and Families	.0	0	0	.0	0	0	.0	0	0
Department of Corrections	.0	0	0	.0	0	0	.0	0	0
Department of Agriculture	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	Fiscal note not available								
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Val Terre, OFM	Phone: (360) 280-3973	Date Published: Preliminary 1/16/2024
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Individual State Agency Fiscal Note

Bill Number: 2194 HB	Title: Home cultivation of cannabis	Agency: 101-Caseload Forecast Council
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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: 01/08/2024
Agency Preparation: Clela Steelhammer	Phone: 360-664-9381	Date: 01/09/2024
Agency Approval: Clela Steelhammer	Phone: 360-664-9381	Date: 01/09/2024
OFM Review: Danya Clevenger	Phone: (360) 688-6413	Date: 01/15/2024

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.

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.

See attached.

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.

HB 2194

HOME CULTIVATION OF CANNABIS

101 – Caseload Forecast Council

January 8, 2024

SUMMARY

A brief description of what the measure does that has fiscal impact.

- Section 1 Amends RCW 69.50.4013 by amending the definition of the gross misdemeanor of Knowingly Possessing a Controlled Substance by allowing possession of cannabis by a person 21 years of age or older, as established in subsection (7).
- Section 1 Additionally adds subsection 7 which establishes requirements of legal possession of cannabis and cannabis products within a housing unit.
- Section 1 Additionally establishes a Class I Civil Infraction for a person who produces and knowingly possesses more than six plants but fewer than 16.
- Section 1 Additionally limits a Class C felony to a person who produces and knowingly possesses 16 or more plants.
- Section 2 Amends RCW 69.50.401 by referencing RCW 69.50.4013(7) to the Class C felony of Unlawful Manufacture, Deliver, or Possess with intent to Manufacture or Deliver a Controlled Substance.

EXPENDITURES

Assumptions.

None.

Impact on the Caseload Forecast Council.

None

Impact Summary

This bill:

- Contracts a gross misdemeanor by establishing legal possession of cannabis plants and establishes a Class I Civil infraction for possession of 7-15 plants; and, if more than 15 plants are produced and knowingly possessed, it shall be punishable under 69.50.401(2)(c), a Class C felony.

Impacts on prison and jail beds.

The Caseload Forecast Council has no information concerning how many less incidents of the gross misdemeanor offense of Knowingly Possessing a Controlled Substance may occur given the allowance of legal possession of a certain amount of cannabis plants under the provisions of the bill. As such, the Caseload Forecast Council cannot reliably predict bed impacts resulting

from the bill. However, a gross misdemeanor offense would be punishable by a term of confinement of 0-364 days in jail. Therefore, any reductions would impact jail beds only.

The Class C felony of offense of Manufacture, Deliver, or Possess with intent to Manufacture or Deliver a Controlled Substance is limited to instances of possession of more than 15 cannabis plants. It is unknown how many fewer offense would result as a result of the bill. However, as a felony offense ranked at Seriousness Level I on the Drug Grid and is punishable by 0-6 months in jail to 12.03-14 months in prison, any reductions in this offense would likely result in prison and jail bed savings.

Impacts on DOC supervision population.

The offense of Manufacture, Deliver, or Possess with intent to Manufacture or Deliver a Controlled Substance is felony offense under chapter 69.50. As such, an individual assessed as high risk to reoffend in the community may be required to be supervised by the Department of Corrections upon release. For individuals releasing from a non-prison sentence, the community custody term may be up to one year; and for those releasing from prison, one year is required.

Given the above, any reductions for convictions based on the provisions of this bill by an individual assessed as high risk to reoffend may result in a decrease of the DOC's Community Custody caseload.

For informational purposes, the total number of sentences imposed for this offense as the most serious offense in Fiscal Year 2023 was 29 sentences (one prison sentence and 28 jail sentences.)

Impact on local detention and Juvenile Rehabilitation beds.

None. The bill address possession by individuals 21 years of age and older.

Department of Revenue Fiscal Note

Bill Number: 2194 HB	Title: Home cultivation of cannabis	Agency: 140-Department of Revenue
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

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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: Peter Clodfelter	Phone: 60-786-7127	Date: 01/08/2024
Agency Preparation: Van Huynh	Phone: 60-534-1512	Date: 01/10/2024
Agency Approval: Marianne McIntosh	Phone: 60-534-1505	Date: 01/10/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/10/2024

Request # 2194-1-1

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:

It is unlawful for a person to produce and possess cannabis plants and the cannabis and cannabis products derived from those plants on the premises of the housing unit occupied by the person.

However, the production and possession by a person 21 years of age or older of cannabis plants for personal use is allowed if the person has medical cannabis authorization.

PROPOSAL:

This bill legalizes the production and possession by a person 21 years of age or older of no more than six plants and the cannabis and cannabis products derived from those plants on the premises of the housing unit occupied by the person.

No more than 15 plants may be produced at any one time on the premises of a single housing unit, regardless of the number of residents living on the premises of the housing unit.

EFFECTIVE DATE:

The bill takes effect 90 days after the final adjournment of the session in which it is enacted.

II. B - Cash receipts Impact

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

This legislation results in no revenue impact on taxes administered by the Department of Revenue (department).

II. C - Expenditures

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

The department will not incur any costs with the implementation of this legislation.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

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

NONE

III. C - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2194 HB	Title: Home cultivation of cannabis	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:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.2	0.1	0.2	0.2
Account					
General Fund-State 001-1	0	26,840	26,840	53,680	53,680
Total \$	0	26,840	26,840	53,680	53,680

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: 01/08/2024
Agency Preparation: Colin O Neill	Phone: (360) 664-4552	Date: 01/10/2024
Agency Approval: Aaron Hanson	Phone: 360-664-1701	Date: 01/10/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/11/2024

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.

Session 1(3a): The possession, by a person 21 years of age or older, of plants and the cannabis and cannabis products derived from those plants as authorized under subsection (7) of this section, is not a violation of this section, this chapter, or any other provision of Washington state law.

Section 1(7):

(a) The production and possession by a person 21 years of age or older of no more than six plants and the cannabis and cannabis products derived from those plants, on the premises of the housing unit occupied by the person, is not a violation of this section, this chapter, or any other provision of Washington state law. No more than 15 plants may be produced at any one time on the premises of a single housing unit, regardless of the number of residents living on the premises of the housing unit.

(b) For purposes of this subsection, "housing unit" has the meaning provided in RCW 69.51A.010.

(c) Except as authorized in RCW 69.50.325 or chapter 69.51A RCW:

(i) It is a class 1 civil infraction punishable under chapter 7.80 RCW for a person to produce and knowingly possess more than six plants but fewer than 16 plants; and

(ii) It is a class C felony punishable under RCW 69.50.401(2)(c) for a person to produce and knowingly possess 16 or more plants.

Section 3(1h)(iii) Creates an addition to the prohibition against forfeiture of property, when (in addition to the existing allowance for possession of cannabis), the acquisition, delivery, or production of cannabis, useable cannabis, cannabis concentrates, or cannabis-infused products including in the manner and in the amount provided in RCW 69.50.4013(7) [Section 1(7) of this bill].

Section 4(14) Creates a new definition in RCW 69.50 for "commercial activity" as "an activity related to or connected with buying, selling, or bartering."

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.

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 agency anticipates a workload impact of 0.2 FTE LCB Enforcement Officer 2 (LEO2) ongoing as a result of increased complaints and seizures. Please see the attached "2194 HB Home cultivation of cannabis - Enforcement Field Increment

Calculator.pdf" for the workload calculations.

0.2 FTE LCB Enforcement Officer 2 - \$26,840/yr (\$23,668 salary/benefits, \$3,172 in associated costs).

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	26,840	26,840	53,680	53,680
Total \$			0	26,840	26,840	53,680	53,680

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.2	0.1	0.2	0.2
A-Salaries and Wages		17,343	17,343	34,686	34,686
B-Employee Benefits		6,325	6,325	12,650	12,650
C-Professional Service Contracts					
E-Goods and Other Services		872	872	1,744	1,744
G-Travel		2,232	2,232	4,464	4,464
J-Capital Outlays		68	68	136	136
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	26,840	26,840	53,680	53,680

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 2024	FY 2025	2023-25	2025-27	2027-29
LCB Enforcement Officer 2	86,712		0.2	0.1	0.2	0.2
Total FTEs			0.2	0.1	0.2	0.2

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Enforcement Division (060)		26,840	26,840	53,680	53,680
Total \$		26,840	26,840	53,680	53,680

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

2194 HB "Home cultivation of cannabis"

	Number of events	Time Factor	Staffing Factor	FI Total
Complaint Investigations Cannabis	12	20	1.3	312
Search and Seizure	1	51	13	663

<u>Factors</u>	<u>Values</u>
Complaint Investigations Cannabis	1 per month
Search and Seizure	1 per year

Total FI's	975
Total Field Increments per FTE	4,220
FTE's required	0.23
Round	0.20

Individual State Agency Fiscal Note

Bill Number: 2194 HB	Title: Home cultivation of cannabis	Agency: 225-Washington State Patrol
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

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: 01/08/2024
Agency Preparation: Allison Plant	Phone: 360-596-4080	Date: 01/11/2024
Agency Approval: Mario Buono	Phone: (360) 596-4046	Date: 01/11/2024
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 01/11/2024

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 proposed legislation creates an indeterminate fiscal impact to the Washington State Patrol (WSP).

Section 1(7) allows a person 21 years of age or older to produce up to six cannabis plants on the premises of their housing unit, subject to production and possession limits and other restrictions and conditions.

Section 3 amends RCW 69.50.505 to state the acquisition, delivery, production, or possession of cannabis, useable cannabis, cannabis concentrates, or cannabis-infused products within the home growth restrictions shall not form a basis of a seizure and forfeiture action.

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.

There is an indeterminate fiscal impact as investigation time may increase to differentiate between allowable home grown production versus illicit production. We do not anticipate that this impact would be significant.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

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: 2194 HB	Title: Home cultivation of cannabis	Agency: 307-Department of Children, Youth, and Families
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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.

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- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Peter Clodfelter	Phone: 360-786-7127	Date: 01/08/2024
Agency Preparation: Jay Treat	Phone: 360-556-6313	Date: 01/10/2024
Agency Approval: Sarah Emmans	Phone: 360-628-1524	Date: 01/10/2024
OFM Review: Danya Clevenger	Phone: (360) 688-6413	Date: 01/15/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This bill pertains to the home cultivation of cannabis setting the limit on the number of plants per household and will not have an impact on Department of Children, Youth, and Families (DCYF) Juvenile Rehabilitation (JR).

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.

No fiscal impact. This bill does not impact DCYF/JR because it addresses possession by individuals 21 years of age and older.

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

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: 2194 HB	Title: Home cultivation of cannabis	Agency: 310-Department of Corrections
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

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.

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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: Peter Clodfelter	Phone: 360-786-7127	Date: 01/08/2024
Agency Preparation: Kaile Chamberlain	Phone: (360) 725-8428	Date: 01/15/2024
Agency Approval: Michael Steenhout	Phone: (360) 789-0480	Date: 01/15/2024
OFM Review: Danya Clevenger	Phone: (360) 688-6413	Date: 01/15/2024

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.

House Bill 2194 relates to legalizing the home cultivation of cannabis by persons who are 21 years of age and older.

Section 1(7)(a) Amends RCW 69.50.4013 by amending the definition of the gross misdemeanor of Knowingly Possessing a Controlled Substance by allowing possession of cannabis by a person 21 years of age or older, as established in subsection (7).

Section 1(7)(b) Additionally adds subsection 7 which establishes requirements of legal possession of cannabis and cannabis products within a housing unit.

Section 1(7)(c)(i) Additionally establishes a Class I Civil Infraction for a person who produces and knowingly possesses more than six plants but fewer than 16.

Section 1(7)(c)(ii) Additionally limits a Class C felony to a person who produces and knowingly possesses 16 or more plants.

Section 2(2)(c) Amends RCW 69.50.401 by referencing RCW 69.50.4013(7) to the Class C felony of Unlawful Manufacture, Deliver, or Possess with intent to Manufacture or Deliver a Controlled Substance.

Effective date is assumed 90 days after adjournment of the session in which this bill is passed.

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.

We assume this bill will have an indeterminate fiscal impact of \$50,000 or less to Department of Corrections (DOC).

House Bill 2194 contracts a gross misdemeanor by establishing legal possession of cannabis plants and establishes a Class I Civil infraction for possession of 7-15 plants; and, if more than 15 plants are produced and knowingly possessed, it shall be punishable under 69.50.401(2)(c), a Class C felony.

The Caseload Forecast Council has no information concerning how many less incidents of the gross misdemeanor offense of Knowingly Possessing a Controlled Substance may occur given the allowance of legal possession of a certain amount of cannabis plants under the provisions of the bill. As such, the Caseload Forecast Council cannot reliably predict bed impacts resulting from the bill. However, a gross misdemeanor offense would be punishable by a term of confinement of 0-364 days in jail. Therefore, any reductions would impact jail beds only.

The Class C felony of offense of Manufacture, Deliver, or Possess with intent to Manufacture or Deliver a Controlled Substance is limited to instances of possession of more than 15 cannabis plants. It is unknown how many fewer offenses would result from the enactment of this bill. However, as a felony offense ranked at Seriousness Level I on the Drug Grid and is punishable by 0-6 months in jail to 12.03-14 months in prison, any reductions in this offense would likely result in prison and jail bed savings.

The offense of Manufacture, Deliver, or Possess with intent to Manufacture or Deliver a Controlled Substance is felony offense under chapter 69.50. As such, an individual assessed as high risk to reoffend in the community may be required to be supervised by the Department of Corrections upon release. For individuals releasing from a non-prison sentence, the community custody term may be up to one year; and for those releasing from prison, one year is required.

Given the above, any reductions for convictions based on the provisions of this bill by an individual assessed as high risk to reoffend may result in a decrease of the DOC's Community Custody caseload.

For informational purposes, the total number of sentences imposed for this offense as the most serious offense in Fiscal Year 2023 was 29 sentences (one prison sentence and 28 jail sentences.)

For illustration purposes only:

We assume a Direct Variable Cost (DVC) of \$7,630 per incarcerated individual per FY to facilitate cost discussions during legislative session for bills. This cost estimate includes prison and health services' direct variable costs. It does not include staffing or dollars necessary for staffing needed at the facility outside of the living/housing units. The DVC is calculated by DOC and reviewed and approved with the Office of Financial Management, Senate, and House staff each legislative session.

For illustration purposes only, the average annual Community Supervision caseload model is \$6,101 per ADP (not including startup costs), regardless of the supervised risk level based on the workload model. If ADP impacts are applicable to this fiscal note, the calculated rate per community supervision ADP includes direct supervision and ancillary units, such as Hearings, Records, and Training, that are directly affected by supervision population changes. The estimate will vary based on the risk level of the supervised individuals, which requires different staffing levels. The population trend data used is based on the Risk Level Classification tool and provides a risk level of 42.8% high violent, 27.3% high non-violent, 21% moderate, 7.9% low, and 1.0% unclassified. (June – November 2017)

The DOC assumes that any increase in community supervision caseload will result in an increased need for violator beds. For illustration, the FY2023 average percentage of supervised individuals who served jail time and were billed by the local jurisdictions for violating their conditions of supervision was a rate of 2.0%. The current average daily cost for jail beds is \$114.43 per day, inclusive of all risk levels and healthcare costs. The rate is an average, and actual rates vary by local correctional facilities.

We assume additional impacts will result when ADP caseload changes in either prison or community and resources will be necessary. The DOC will “true up” our fiscal impact in subsequent budget submittals should the legislation be enacted into session law.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

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: 2194 HB	Title: Home cultivation of cannabis	Agency: 495-Department of Agriculture
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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: 01/08/2024
Agency Preparation: Jessica Allenton	Phone: 360-902-1828	Date: 01/11/2024
Agency Approval: Lori Peterson	Phone: 360-974-9767	Date: 01/11/2024
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 01/11/2024

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.

Under current law, Washington State Department of Agriculture (WSDA) regulates the production of hemp and hemp-derived products. WSDA also sets laboratory standards for safety testing of cannabis but does not regulate the production of cannabis. The proposed legislation would legalize limited home cultivation of cannabis for persons 21 years of age or older.

Section 1 would legalize the home cultivation of cannabis for persons 21 years of age or older based on the criteria specified in this section.

WSDA's cannabis programs do not regulate the production of high THC Cannabis. Because hemp and hemp-derived products are excluded from the definition of cannabis in RCW 69.50, WSDA does not have any fiscal impacts from the proposed legislation. In the event the proposed legislation would create increased enforcement for the Washington Liquor and Cannabis Board (LCB) and additional workload for WSDA's Chemical Lab, those costs would be recouped by WSDA through an interagency agreement with LCB.

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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 2194 HB

Title: Home cultivation of cannabis

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities: Local law enforcement agencies would incur first year training costs totaling \$471,937 plus indeterminate impacts resulting from legalizing the possession of cannabis plants.
- Counties: Same as above but training costs would total \$161,928.
- Special Districts:
- Specific jurisdictions only:
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs: Law enforcement training costs noted above.
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time: The number of class C felony violations that will increase or decrease as a result of legalizing cannabis plant possession within defined limits.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Jurisdiction	FY 2024	FY 2025	2023-25	2025-27	2027-29
City		471,937	471,937		
County		161,928	161,928		
TOTAL \$		633,865	633,865		
GRAND TOTAL \$					633,865

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Kate Fernald	Phone: 564-200-3519	Date: 01/15/2024
Leg. Committee Contact: Peter Clodfelter	Phone: 360-786-7127	Date: 01/08/2024
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 01/15/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/16/2024

Part IV: Analysis

A. SUMMARY OF BILL

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

The proposed legislation would legalize cannabis plant possession up to six plants per person 21 years of age and older, but no more than 15 plants per residential unit regardless of the number of residents living in one unit.

Sec. 1. would modify RCW 69.50.4013.

Sec. 1(3) would allow a person to knowingly produce and possess a maximum number of six cannabis plants on the premises of their single housing unit. It would also legalize the production of cannabis and cannabis products derived from those plants.

Sec. 1(7)(a) would add that no more than 15 cannabis plants may be knowingly possessed at any one time on the premises of a single housing unit, regardless of the number of residents who live there.

Sec 1 (7)(b)(i) would make it a civil 1 infraction for a person to produce and knowingly possess more than six plants but fewer than 16 plants; and

Sec. 1(7)(b)(ii) would make it a class C felony for a person to produce and knowingly possess 16 or more plants.

B. SUMMARY OF EXPENDITURE IMPACTS

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

Local law enforcement agencies would incur one-time training costs totaling \$633,865 (\$471,937 cities + \$161,928 counties) and could incur additional indeterminate impacts from legalizing the possession of cannabis plants. Costs that could be estimated are entered into the expenditure grid.

TRAINING:

One-time law enforcement training costs would increase by \$471,937 for cities and \$161,928 for counties. The legislation would legalize the possession of up to six cannabis plants per person, but no more than 15 per single housing unit, regardless of the number of residents in the unit. It would also change prescribed penalties for possessing cannabis plants. Washington Association of Sheriffs and Police Chiefs expects it would take one hour of training for all law enforcement officers to discuss these new laws and changed penalties.

The 2023 Association of Washington Cities' weighted average hourly salary (including benefits and overhead) is \$71 for police officers and \$72 for sheriffs. According to the 2022 Crime in Washington Report, there are 6,647 city law enforcement officers and 2,249 county law enforcement officers.

-- Cities' training impact: 1 (one hour of training) x \$71 per hour x 6,647 officers = \$471,937.

-- Counties' training impact: 1 (one hour of training) x \$72 per hour x 2,249 officers = \$161,928.

-- Total local government training impact: \$633,865 (\$471,937 city + \$161,928 county.)

VIOLATIONS:

House Bill Analysis for HB 2194 (2024) clarifies that under current Washington state law, the following are punishable by a class C felony:

-- to possess up to six plants, and

-- to possess more than 6 but no more than 15 plants.

Although it would no longer be a class C felony to possess six or fewer plants per person and no more than 15 per housing unit, the Washington Association of Sheriffs and Police Chiefs points out that the bill's impact on future violations cannot

be predicted in advance. Because the bill would legalize possession of cannabis plants for adults 21 and over, it could lead to a reduction in class C felonies. Or, because the broad legalization would come with strict limits specifying the number of plants that may be possessed per person and per housing unit, it could lead to additional violations. Therefore, class C felony violations could increase or decrease as a result of the proposed legislation.

CLASS C FELONY COSTS:

The Local Government Fiscal Note Program's 2024 Criminal Justice Cost Model estimates that the law enforcement, prosecution, and defense costs of a class C felony violation are \$6,649 per incident.

C. SUMMARY OF REVENUE IMPACTS

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

The legislation would not impact local government revenue.

SOURCES:

HB 2194 (2024) House Bill Analysis

Washington Association of Sheriffs and Police Chiefs