

2025 Legislative Session Overview

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Legislative Session Overview

- ▶ Review of Bills
- ▶ Policy areas to watch for next session
- ▶ Rule Making
- ▶ Budget impacts

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2025 Session: Bills Passed - Alcohol

2SHB 1515: Alcohol service in public spaces

- ▶ Expands alcohol service in public places by allowing local governments to request expanded access within their jurisdiction.
- ▶ Creates a “special community event license”, which would allow not-for-profit societies/organizations to sell spirits, beer, and wine on-premises and off-premises (if certain conditions met) consumption at events held at publicly owned civic campuses.



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2025 Session: Bills Passed - Cannabis

HB 1341: Medical cannabis authorization database

- ▶ Allow LCB to verify excise tax exemptions through the medical cannabis authorization database.
- Of note, this was request legislation to address a technical issue with last year's SHB 1453.

ESB 5206: Cannabis retailer advertising

- ▶ Modifies/adds several restrictions and requirements related to signage sign, number, and placement for licensed cannabis retailers. For example, advertising signs must be affixed to the building on the main entrance side; and, advertising content may not relate to alcohol, tobacco, or motor vehicles.
- ▶ For trade name signs, they must comply with local regulations. Enforcement of trade name signage is by local government.



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2025 Session: Bills Passed - Cannabis

ESSB 5403: Limiting financial interest agreements for licensed cannabis retailers



- ▶ Prohibits retail licensees and all other persons/entities with a financial or ownership interest from entering into any agreement under specified law that confers a financial interest across more than five retail cannabis licenses. Provides a definition of what is meant by “financial interest”.

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2025 Session: Bills Passed - Tobacco

ESSB 5814: Modifying the application and administration of certain excise taxes

- ▶ Modifies definition of tobacco products tax to include both ‘nicotine’ and ‘synthetic’ nicotine products
- ▶ Excludes FDA approved tobacco cessation products

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2025 Session: Bills Passed – Early Learning & Intervention

HB 2049: Funding K12 through property tax and revised OSPI funding formula

- ▶ Allows property tax growth beyond 1%, up to combined rate of population growth and inflation, capped at 3%.
- ▶ Raises property tax limits from 1% to 3%.
- ▶ Adjust OSPI's funding formula to ensure schools get funding to support students receiving special education.



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2025 Session: Bills Passed – Early Learning and Intervention

HB 2081: Large company taxes for funding education

- ▶ Increases business and occupation taxes for sectors including manufacturing, retail, wholesaling, and childcare.
- ▶ Raises surcharges on large businesses with taxable income over \$250.
- ▶ Raises surcharges on big banks and advanced computer services.

SB 5813: Increasing education funding through tiered tax rates.

- ▶ Imposes an additional 2.9% tax on capital gains over \$1 million
- ▶ Increases tax on estates of those who died after January 1, 2025
- ▶ Raises estate exclusion from \$2.1 million to \$3 million.
- ▶ Intended to sustain supports for education



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LCB Rulemaking and Engagement

► Alcohol

- Expanded alcohol service until 2027 – 2SHB 1515
- Alcohol server permit – HB 1698
- License and permit fees – 2SSB 5786
- Eliminating 24L Transaction Limit – HB 1636
- Alcohol product placement

► Cannabis

- Cannabis Advertising - ESB 5206
- Cannabis licensee management agreement – ESSB 5403



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Policy Issues That May Return

- **Alcohol:** Alcohol taxes, **BAC limit**
- **Cannabis:** Agency regulatory authority, Ownership requirements (such as residency restrictions & employee ownership), Changes to Social Equity Program, **High THC products**, Agency regulatory authority, Local Prohibition
- **Tobacco/Vape:** **Prohibitions for flavored products** and 'entertainment' vape devices, Vape Registry, regulating 'alternative nicotine products' & 'nicotine analogues'
- **Opioids:** Pain parity (non opioid treatment alternatives), updating language in controlled substance act, civil commitment to treatment after reversal medication use, **prohibiting gov. purchases of reversal medications** from parties who were part of opioid settlement
- **Early Learning and Intervention:** **Funding for statewide behavioral health** services, various tax modifications for funding for education
- **Data:** **Regulated substances data dashboard**, data privacy



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Budget (HCA – Prevention)

State

- ▶ Dedicated Cannabis Account (Proviso/Statue)
 - ▶ Reduction of 10%
- ▶ Community and Schools Prevention (Proviso/OASA & DCA)
 - ▶ Reduction of 7%

Federal

- ▶ Substance Use Prevention, Treatment, and Recovery Services Block Grant (SUPTRS)
 - ▶ Reduction to previously funded Px Services of 8%

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Questions?



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