
SENATE BILL 5650

State of Washington

69th Legislature

2025 Regular Session

By Senators Wagoner, Christian, and Holy

Read first time 02/04/25. Referred to Committee on Ways & Means.

1 AN ACT Relating to authorizing a local excise tax on cannabis;
2 and adding a new section to chapter 82.14 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.14
5 RCW to read as follows:

6 (1)(a) The legislative authority of any county may impose an
7 excise tax of up to two percent of the selling price on the retail
8 sale of cannabis concentrates, useable cannabis, and cannabis-infused
9 products. The legislative authority of the county may only impose the
10 tax by ordinance and must condition its imposition on the specific
11 authorization of a majority of the voters voting on a proposition
12 submitted at a special or general election. The ordinance and ballot
13 proposition may provide for the tax to apply for a period of up to
14 seven consecutive years.

15 (b) If a county has not imposed the excise tax under (a) of this
16 subsection before July 1, 2027, then a city within that county may
17 impose an excise tax of up to two percent of the selling price on the
18 retail sale of cannabis concentrates, useable cannabis, and cannabis-
19 infused products. The legislative authority of the city may only
20 impose the tax by ordinance and must condition its imposition on the
21 specific authorization of a majority of the voters voting on a

1 proposition submitted at a special or general election. The ordinance
2 and ballot proposition may provide for the tax to apply for a period
3 of up to seven consecutive years.

4 (c) The tax authorized in this section is in addition to any
5 other taxes authorized by law and must be collected from those
6 persons who are taxable by the state under RCW 69.50.535 upon the
7 occurrence of any taxable event within the county or city.

8 (d) A county and a city within that county may not concurrently
9 impose the tax authorized in this section.

10 (2) The legislative authority of a county or city may reimpose a
11 tax under this section for one or more additional periods of up to
12 seven consecutive years. The legislative authority of the county or
13 city may only reimpose the tax by ordinance and on the prior specific
14 authorization of a majority of the voters voting on a proposition
15 submitted at a special or general election.

16 (3) (a) If the tax under this section is imposed by a county, then
17 the state treasurer must distribute 15 percent of the moneys to the
18 county in which the tax was collected. The remainder of the moneys
19 collected under this section must be distributed to the county and
20 the cities within the county where licensed cannabis retailers are
21 physically located. Each jurisdiction must receive a share of the
22 revenue distribution under this section based on the proportional
23 share of the total revenues generated in the individual jurisdiction
24 from the taxes collected under this section from licensed cannabis
25 retailers physically located in the county and the cities within the
26 county.

27 (b) If the tax under this section is imposed by a city, then the
28 state treasurer must distribute 15 percent of the moneys to the
29 county and the remainder must be distributed to the city.

30 (4) The liquor and cannabis board must perform the collection of
31 taxes under this section on behalf of a county or city and the state
32 treasurer must distribute those taxes as available on a monthly basis
33 to the county and cities within the county. Before the effective date
34 of a resolution or ordinance to impose an excise tax under this
35 section, the legislative authority of the county or city must
36 contract with the liquor and cannabis board for tax administration
37 and collection. The liquor and cannabis board may deduct a percentage
38 amount, as provided by contract, not to exceed one percent of the
39 taxes collected for administration and collection expenses incurred
40 by the board.

1 (5) The definitions in RCW 69.50.535 apply to this section.

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