

**Restructuring cannnabis appropriations in RCW 69.50.540 to provide transparency & accountability
and increase community infrastructure & investment**

% of Cannabis Revenues	Category	Agency	Description	LCTA SSB 5796 (FY21)	Current Distributions	Current RCW 69.50.540**
Administrative (~3%)	Admin	LCB	admin of cannabis statutes	\$12,148,000 2.16%	\$12,148,000 2.16%	An amount not less than \$1,250,000 (step 1)
	Oversight	HCA/ WSIPP	until 2032 to analyze reports under RCW 69.50.550	\$200,000 0.04%	\$200,000 0.04%	\$50,000 (step 1)
	Taskforce	WSP	until 2023 Drug Enforce. Task Force	\$2,793,000 0.50%	\$2,793,000 0.50%	\$2,423,000 for 2021-2023 (step 1)
	Admin	Ecology	until 2023 for accrediting marijuana product testing laboratories	\$464,000 0.08%	\$464,000 0.08%	\$464,000 for 2021, \$270,000 for 2022, \$276,000 for 2023 (step 1)
	Admin	DOH	until 2023 marijuana authorization database	\$800,000 0.14%	\$800,000 0.14%	\$808,000 for 2020-2023 (step 1)
	Admin	Dept Ag	until 2023 for pesticide lab analysis	\$635,000 0.11%	\$635,000 0.11%	\$621,000 for 2022, \$627,000 for 2023 (step 1)
Local and state government investing in communities (~16%)	Local govt	Local Govts	30% to counties, cities, towns where retailers are physically located. Each jurisdiction gets proportional share of the total revenues generated in their jurisdiction from taxes paid by the retailers in their jurisdiction. Cities and towns get 100% of the proportional amount attributed to retailers in their city/town.	\$27,800,000 4.95%	\$20,000,000 3.56%	If excise tax in the prior fiscal year exceed \$25M, then 30% goes to counties, cities & towns, of which 30% goes to counties, cities, and towns where marijuana retailers are physically located. Each jurisdiction must receive a share based on the proportional share of the total revenues generated in the individual jurisdiction from the taxes collected from licensed marijuana retailers physically located in each jurisdiction. 100% of the proportional amount attributed to a retailer physically located in a city or town must go to the city or town.
			70% to counties, cities, towns on a per capita basis. Counties must get 60% based on their total proportional population as long as they don't prohibit siting of any producer, processor, or retailer.			If excise tax in the prior year exceed \$25M, then 30% goes to counties, cities & towns, of which 70% goes to counties, cities, towns ratably on a per capita basis. Counties must receive 60% based on their total proportional population. Only to jurisdictions that do not prohibit the siting of any producer, processor, or retailer
	State govt	General Fund	Remainder after all other in admin & local govt	\$61,795,410 11.01%	\$201,007,501 35.81%	All remaining after steps 1, 2, and local govt

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Community Infrastructure & Reinvestment (81%)	Health care	Apple Health	57.5% to basic health plan	\$261,397,065 46.58%	\$261,289,501 46.56%	50% (of step 2) to state basic health plan trust account administered by WA basic health plan administrator (70.47 RCW)
		DOH	Cannabis public health program and WA poison control center. Public health program, hotline providing referrals for substance abuse treatment providers, grants program for local health depts/ community agencies doing coordinated intervention strategies preventing cannabis use by youth.	\$12,000,000 2.14%	\$10,616,000 1.89%	Up to 10% (of step 2) to DOH for marijuana public health program and WA poison control center. Must include a hotline providing referrals for substance abuse treatment providers, a grants program for local health departments/ community agencies doing coordinated intervention strategies preventing marijuana use by youth, and media-based education campaigns. Each fiscal year, must be a min. of \$9,750,000.
		HCA	Prevention work, Healthy Youth Survey, Community Health Center)	\$49,246,000 8.77%	\$49,246,000 8.77%	Up to 15% (of step 2) to HCA for prevention work (85% for new programs/ services and 15% to best practices). Each fiscal year, must be a min. of \$25,536,000.
		UW	UW Alcohol and Drug Abuse Institute public education	\$20,000 0.00%	\$20,000 0.004%	\$125,000 for healthy youth survey (step 1) \$5000 (step 1)
	Research	UW	Research	\$378,000 0.07%	\$252,000 0.04%	Up to 0.6% to UW and 0.4% (of step 2) to WSU for research on marijuana use. Each fiscal year (except 19-21 and 21-23 biennia), must be a min. of \$1,021,000 to UW and \$681,000 to WSU.
		WSU	Research	\$207,000 0.04%	\$138,000 0.02%	
	Drop out prevention	OSPI	Grants to Building Bridges addressing dropout prevention (28A.175)	\$530,000 0.09%	\$530,000 0.09%	Up to 0.3% (of step 2) to OSPI to fund grants to building bridges programs addressing dropout prevention (28A.175 RCW). Each fiscal year, must be a min. of \$511,000.

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	Social equity within cannabis industry	Commerce	Cannabis social equity - technical assistance grant program	\$2,000,000 0.36%	\$1,100,000 0.20%	\$1,650,000 for 2022 and 2023 (step 1)
		Commerce	Cannabis social equity - roster of mentors for the technical assistance	\$200,000 0.04%		
		Commerce	Cannabis social equity - low interest loans to social equity licensees	\$1,000,000 0.18%	\$0 0.00%	NA
	Community Reinvestment Fund	Commerce	Remainder after all other appropriations - Community Reinvestment Fund to provide program grants to communities disproportionately affected by economic and social disparities. Allowed purposes for the fund (as directed by the community board)	\$127,625,526 22.74%	\$0 0.00%	NA

*March 2021 revenue forecast with current appropriation updated with 2020 Supplemental budget and set percentages (provided by LCB)

\$561,239,002

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**Key to 3-step appropriations under RCW 69.50.540	
First step	Annual appropriations per statute
Second step	81% of remainder after step 1, allocated per statute
Third step	Remainder after steps 1 and 2: all goes to general fund UNLESS if remainder exceeds \$25 million, 30% goes to counties, cities, and towns, but capped at \$15 million prior to 2021 and \$20 million 2022 onwards

***https://www.sos.wa.gov/_assets/elections/initiatives/i502.pdf