

**Senate Bill 5796 - Restructuring cannabis appropriations to provide transparency & accountability
and increase community infrastructure & investment
Estimated Distributions Changes Based on Fiscal Year 2021 Revenue and Actual Distributions**

% of Cannabis Revenues	Category	Agency	Difference from LCTA Substitute	SWM PSSB 5796 (FY21)	Difference from Current Statute/Distribution	LCTA SSB 5796 (FY21)	Actual FY21 Distributions*	Current RCW 69.50.540****
Administrative (~3%)	Admin	LCB	Fixed amount increased annually based on Seattle area CPI	\$12,500,000 2.23%	No change	\$12,148,000 2.16%	\$12,148,000 2.16%	An amount not less than \$1,250,000 (step 1)
	Oversight	HCA/ WSIPP	No change	\$250,000 0.04%	No change	\$200,000 0.04%	\$200,000 0.04%	until 2032 to analyze reports under RCW 69.50.550 . \$50,000 (step 1)
	Taskforce	WSP	No change	\$2,793,000 0.50%	Increased to match current actual distribution.	\$2,793,000 0.50%	\$2,793,000 0.50%	until 2023 Drug Enforce. Task Force . \$2,423,000 for 2021-2023 (step 1)
	Admin	Ecology	No change	\$464,000 0.08%	No change	\$464,000 0.08%	\$464,000 0.08%	until 2023 for accrediting marijuana product testing laboratories \$464,000 for 2021, \$270,000 for 2022, \$276,000 for 2023 (step 1)
	Admin	DOH	No change	\$800,000 0.14%	No change	\$800,000 0.14%	\$800,000 0.14%	until 2023 marijuana authorization database. \$808,000 for 2020-2023 (step 1)
	Admin	Dept Ag	No change	\$635,000 0.11%	No change	\$635,000 0.11%	\$635,000 0.11%	until 2023 for pesticide lab analysis. \$621,000 for 2022, \$627,000 for 2023 (step 1)
Local and state government investing in communities (~15.5%)	Local govt	Local Govts	Changed to percent of revenue after step 1 distributions of 1.5% to cities/counties where retailers are physically located and 3.5% for all jurisdiction based on proportional population	\$26,427,350 4.71%	Fixed amount for: 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, <i>of which</i> 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, <i>of which</i> 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. Max city/county distribution \$15M through FY21 and \$20M thereafter.
	State govt	General Fund	35% of revenue after step 1 distributions, less one-time distribution to Community Reinvestment Fund***	\$59,991,451 10.69%	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 (81.5%)	Health care	Apple Health	50% after all other in admin & local govt to basic health plan	\$264,273,501 47.09%	57.5% after all other in admin & local govt 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	Fixed amount increased annually based on Seattle area CPI	\$11,000,000 1.96%	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	50% after all other in admin & local govt to basic health plan	\$52,854,700 9.42%	Fixed amount for prevention work, Healthy Youth Survey, Community Health Center)	\$49,246,000 8.77%	\$49,246,000 8.77%	\$125,000 for healthy youth survey (step 1) ----- 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. ----- 5% (of step 2) to use through community health centers to provide health/dental care, migrant & maternity health services (RCW 41.02.220).
		UW	Fixed amount increased annually based on Seattle area CPI	\$25,000 0.00%	UW Alcohol and Drug Abuse Institute public education	\$20,000 0.00%	\$20,000 0.004%	UW Alcohol and Drug Abuse Institute public education. \$5000 (step 1)
	Research	UW	Fixed amount increased annually based on Seattle area CPI	\$300,000 0.05%	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	Fixed amount increased annually based on Seattle area CPI	\$175,000 0.03%	Research	\$207,000 0.04%	\$138,000 0.02%	
	Drop out prevention	OSPI	Fixed amount increased annually based on Seattle area CPI	\$550,000 0.10%	Fixed amount	\$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	Fixed amount increased annually based on Seattle area CPI for combined technical assistance grant program and low interest loans to social equity licensees	\$3,000,000 0.53%	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%	Cannabis social equity - roster of mentors for the technical assistance	\$200,000 0.04%			
	Commerce	Included above.	\$0 0.00%	Cannabis social equity - low interest loans to social equity licensees	\$1,000,000 0.18%			\$0 0.00%
Community Reinvestment Fund	Commerce	One-time distribution in FY23.	\$125,000,000 22.27%	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	
				\$561,239,002			\$561,239,002	\$561,239,002

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

**Actual local distributions for FY2021 were \$15M. Increased to the FY2021 amount of \$20M for comparison purposes.

***One-time distribution and subsequent reduction to the state general fund shown here for comparison purposes.

****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