

By Representative MacEwen

E2SSB 5796 - H COMM AMD TO APP COMM AMD (TOUL 246)

By Committee on Appropriations

1 On page 1, after line 16, insert the following:

2 "Sec. 2. RCW 69.50.540 and 2021 c 334 s 986 are each amended to
3 read as follows:

4 The legislature must annually appropriate moneys in the dedicated
5 marijuana account created in RCW 69.50.530 as follows:

6 (1) For the purposes listed in this subsection (1), the
7 legislature must appropriate to the respective agencies amounts
8 sufficient to make the following expenditures on a quarterly basis or
9 as provided in this subsection:

10 (a) One hundred twenty-five thousand dollars to the health care
11 authority to design and administer the Washington state healthy youth
12 survey, analyze the collected data, and produce reports, in
13 collaboration with the office of the superintendent of public
14 instruction, department of health, department of commerce, family
15 policy council, and board. The survey must be conducted at least
16 every two years and include questions regarding, but not necessarily
17 limited to, academic achievement, age at time of substance use
18 initiation, antisocial behavior of friends, attitudes toward
19 antisocial behavior, attitudes toward substance use, laws and
20 community norms regarding antisocial behavior, family conflict,
21 family management, parental attitudes toward substance use, peer
22 rewarding of antisocial behavior, perceived risk of substance use,
23 and rebelliousness. Funds disbursed under this subsection may be used
24 to expand administration of the healthy youth survey to student
25 populations attending institutions of higher education in Washington;

26 (b) Fifty thousand dollars to the health care authority for the
27 purpose of contracting with the Washington state institute for public
28 policy to conduct the cost-benefit evaluation and produce the reports
29 described in RCW 69.50.550. This appropriation ends after production
30 of the final report required by RCW 69.50.550;

1 (c) Five thousand dollars to the University of Washington alcohol
2 and drug abuse institute for the creation, maintenance, and timely
3 updating of web-based public education materials providing medically
4 and scientifically accurate information about the health and safety
5 risks posed by marijuana use;

6 (d)(i) An amount not less than one million two hundred fifty
7 thousand dollars to the board for administration of this chapter as
8 appropriated in the omnibus appropriations act;

9 (ii) One million three hundred twenty-three thousand dollars for
10 fiscal year 2020 to the health professions account established under
11 RCW 43.70.320 for the development and administration of the marijuana
12 authorization database by the department of health;

13 (iii) Two million four hundred fifty-three thousand dollars for
14 fiscal year 2020 and two million four hundred twenty-three thousand
15 dollars for fiscal years 2021, 2022, and 2023 to the Washington state
16 patrol for a drug enforcement task force. It is the intent of the
17 legislature that this policy will be continued in the 2021-2023
18 fiscal biennium; and

19 (iv) Ninety-eight thousand dollars for fiscal year 2019 to the
20 department of ecology for research on accreditation of marijuana
21 product testing laboratories;

22 (e) Four hundred sixty-five thousand dollars for fiscal year
23 2020, four hundred sixty-four thousand dollars for fiscal year 2021,
24 two hundred seventy thousand dollars in fiscal year 2022, and two
25 hundred seventy-six thousand dollars in fiscal year 2023 to the
26 department of ecology for implementation of accreditation of
27 marijuana product testing laboratories;

28 (f) One hundred eighty-nine thousand dollars for fiscal year 2020
29 to the department of health for rule making regarding compassionate
30 care renewals;

31 (g) Eight hundred eight thousand dollars for each of fiscal years
32 2020 through 2023 to the department of health for the administration
33 of the marijuana authorization database;

34 (h) Six hundred thirty-five thousand dollars for fiscal year
35 2020, six hundred thirty-five thousand dollars for fiscal year 2021,
36 six hundred twenty-one thousand dollars for fiscal year 2022, and six
37 hundred twenty-seven thousand dollars for fiscal year 2023 to the
38 department of agriculture for compliance-based laboratory analysis of
39 pesticides in marijuana;

1 (i) One million six hundred fifty thousand dollars for fiscal
2 year 2022 and one million six hundred fifty thousand dollars for
3 fiscal year 2023 to the department of commerce to fund the
4 (~~marijuana~~) cannabis social equity technical assistance
5 (~~competitive~~) grant program under RCW 43.330.540; (~~and~~)

6 (j) One hundred sixty-three thousand dollars for fiscal year 2022
7 and one hundred fifty-nine thousand dollars for fiscal year 2023 to
8 the department of commerce to establish a roster of mentors as part
9 of the cannabis social equity technical assistance grant program
10 under Engrossed Substitute House Bill No. 1443 (cannabis industry/
11 equity) (~~[chapter 169, Laws of 2021]~~) chapter 169, Laws of 2021;
12 and

13 (k) \$150,000 for fiscal year 2023 to the board to conduct a study
14 to determine if the statewide limit of retail outlets on the
15 effective date of this section is sufficient to meet the consumption
16 rate and population of the state as well as the legislature's social
17 equity goals; and

18 (2) From the amounts in the dedicated marijuana account after
19 appropriation of the amounts identified in subsection (1) of this
20 section, the legislature must appropriate for the purposes listed in
21 this subsection (2) as follows:

22 (a)(i) Up to fifteen percent to the health care authority for the
23 development, implementation, maintenance, and evaluation of programs
24 and practices aimed at the prevention or reduction of maladaptive
25 substance use, substance use disorder, substance abuse or substance
26 dependence, as these terms are defined in the Diagnostic and
27 Statistical Manual of Mental Disorders, among middle school and high
28 school-age students, whether as an explicit goal of a given program
29 or practice or as a consistently corresponding effect of its
30 implementation, mental health services for children and youth, and
31 services for pregnant and parenting women; PROVIDED, That:

32 (A) Of the funds appropriated under (a)(i) of this subsection for
33 new programs and new services, at least eighty-five percent must be
34 directed to evidence-based or research-based programs and practices
35 that produce objectively measurable results and, by September 1,
36 2020, are cost-beneficial; and

37 (B) Up to fifteen percent of the funds appropriated under (a)(i)
38 of this subsection for new programs and new services may be directed
39 to proven and tested practices, emerging best practices, or promising
40 practices.

1 (ii) In deciding which programs and practices to fund, the
2 director of the health care authority must consult, at least
3 annually, with the University of Washington's social development
4 research group and the University of Washington's alcohol and drug
5 abuse institute.

6 (iii) For each fiscal year, the legislature must appropriate a
7 minimum of twenty-five million five hundred thirty-six thousand
8 dollars under this subsection (2)(a);

9 (b)(i) Up to ten percent to the department of health for the
10 following, subject to (b)(ii) of this subsection (2):

11 (A) Creation, implementation, operation, and management of a
12 marijuana education and public health program that contains the
13 following:

14 (I) A marijuana use public health hotline that provides referrals
15 to substance abuse treatment providers, utilizes evidence-based or
16 research-based public health approaches to minimizing the harms
17 associated with marijuana use, and does not solely advocate an
18 abstinence-only approach;

19 (II) A grants program for local health departments or other local
20 community agencies that supports development and implementation of
21 coordinated intervention strategies for the prevention and reduction
22 of marijuana use by youth; and

23 (III) Media-based education campaigns across television,
24 internet, radio, print, and out-of-home advertising, separately
25 targeting youth and adults, that provide medically and scientifically
26 accurate information about the health and safety risks posed by
27 marijuana use; and

28 (B) The Washington poison control center.

29 (ii) For each fiscal year, the legislature must appropriate a
30 minimum of nine million seven hundred fifty thousand dollars under
31 this subsection (2)(b);

32 (c)(i) Up to six-tenths of one percent to the University of
33 Washington and four-tenths of one percent to Washington State
34 University for research on the short and long-term effects of
35 marijuana use, to include but not be limited to formal and informal
36 methods for estimating and measuring intoxication and impairment, and
37 for the dissemination of such research.

38 (ii) For each fiscal year, except for the 2019-2021 and 2021-2023
39 fiscal biennia, the legislature must appropriate a minimum of one
40 million twenty-one thousand dollars to the University of Washington.

1 For each fiscal year, except for the 2019-2021 and 2021-2023 fiscal
2 biennia, the legislature must appropriate a minimum of six hundred
3 eighty-one thousand dollars to Washington State University under this
4 subsection (2)(c). It is the intent of the legislature that this
5 policy will be continued in the 2023-2025 fiscal biennium;

6 (d) Fifty percent to the state basic health plan trust account to
7 be administered by the Washington basic health plan administrator and
8 used as provided under chapter 70.47 RCW;

9 (e) Five percent to the Washington state health care authority to
10 be expended exclusively through contracts with community health
11 centers to provide primary health and dental care services, migrant
12 health services, and maternity health care services as provided under
13 RCW 41.05.220;

14 (f)(i) Up to three-tenths of one percent to the office of the
15 superintendent of public instruction to fund grants to building
16 bridges programs under chapter 28A.175 RCW.

17 (ii) For each fiscal year, the legislature must appropriate a
18 minimum of five hundred eleven thousand dollars to the office of the
19 superintendent of public instruction under this subsection (2)(f);
20 and

21 (g) At the end of each fiscal year, the treasurer must transfer
22 any amounts in the dedicated marijuana account that are not
23 appropriated pursuant to subsection (1) of this section and this
24 subsection (2) into the general fund, except as provided in (g)(i) of
25 this subsection (2).

26 (i) Beginning in fiscal year 2018, if marijuana excise tax
27 collections deposited into the general fund in the prior fiscal year
28 exceed twenty-five million dollars, then each fiscal year the
29 legislature must appropriate an amount equal to thirty percent of all
30 marijuana excise taxes deposited into the general fund the prior
31 fiscal year to the treasurer for distribution to counties, cities,
32 and towns as follows:

33 (A) Thirty percent must be distributed to counties, cities, and
34 towns where licensed marijuana retailers are physically located. Each
35 jurisdiction must receive a share of the revenue distribution under
36 this subsection (2)(g)(i)(A) based on the proportional share of the
37 total revenues generated in the individual jurisdiction from the
38 taxes collected under RCW 69.50.535, from licensed marijuana
39 retailers physically located in each jurisdiction. For purposes of
40 this subsection (2)(g)(i)(A), one hundred percent of the proportional

1 amount attributed to a retailer physically located in a city or town
2 must be distributed to the city or town.

3 (B) Seventy percent must be distributed to counties, cities, and
4 towns ratably on a per capita basis. Counties must receive sixty
5 percent of the distribution, which must be disbursed based on each
6 county's total proportional population. Funds may only be distributed
7 to jurisdictions that do not prohibit the siting of any state
8 licensed marijuana producer, processor, or retailer.

9 (ii) Distribution amounts allocated to each county, city, and
10 town must be distributed in four installments by the last day of each
11 fiscal quarter.

12 (iii) By September 15th of each year, the board must provide the
13 state treasurer the annual distribution amount, if any, for each
14 county and city as determined in (g)(i) of this subsection (2).

15 (iv) The total share of marijuana excise tax revenues distributed
16 to counties and cities in (g)(i) of this subsection (2) may not
17 exceed fifteen million dollars in fiscal years 2018, 2019, 2020, and
18 2021, and twenty million dollars per fiscal year thereafter.

19 **Sec. 3.** RCW 69.50.354 and 2015 c 70 s 9 are each amended to read
20 as follows:

21 ~~((There))~~ (1) Except as provided in subsection (2) of this
22 section, there may be licensed, in no greater number in each of the
23 counties of the state than as the ~~((state liquor and cannabis))~~ board
24 shall deem advisable, retail outlets established for the purpose of
25 making marijuana concentrates, useable marijuana, and marijuana-
26 infused products available for sale to adults aged twenty-one and
27 over. Retail sale of marijuana concentrates, useable marijuana, and
28 marijuana-infused products in accordance with the provisions of this
29 chapter and the rules adopted to implement and enforce it, by a
30 validly licensed marijuana retailer or retail outlet employee, shall
31 not be a criminal or civil offense under Washington state law.

32 (2) If the board determines that an increase in the number of
33 retail outlet licenses in existence on January 1, 2020, is necessary,
34 the board must submit its recommendation to the legislature for
35 approval by the legislature."

36 Correct the title.

EFFECT: Directs an appropriation of \$150,000 for Fiscal Year 2023 from the Dedicated Marijuana Account to the Liquor and Cannabis Board (LCB) to conduct a study to determine if the statewide limit of cannabis retail outlets on the effective date of the bill is sufficient to meet the consumption rate and population of the state as well as the Legislature's social equity goals. Specifies that if the LCB determines that an increase in the number of cannabis retail outlet licenses in existence on January 1, 2020, is necessary, the LCB must submit its recommendation to the Legislature for approval.

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