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**BILL REQUEST - CODE REVISER'S OFFICE**

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BILL REQ. #: Z-0569.1/19

ATTY/TYPIST: KB:amh

BRIEF DESCRIPTION: Allowing additional marijuana retail licenses for social equity purposes.

1       AN ACT Relating to allowing additional marijuana retail licenses  
2 for social equity purposes; amending RCW 69.50.345 and 69.50.540;  
3 reenacting and amending RCW 69.50.345; adding new sections to chapter  
4 69.50 RCW; adding a new section to chapter 43.330 RCW; creating a new  
5 section; providing an effective date; and providing an expiration  
6 date.

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

8       NEW SECTION.       **Sec. 1.**       (1) General prohibition of marijuana  
9 possession and use by adults in Washington ended when state voters  
10 enacted Initiative Measure No. 502 in 2012. When the state created a  
11 system for legal marijuana production and retail sale, it was one of  
12 the first governmental jurisdictions to face the challenge of  
13 creating a regulatory structure for a controlled substance long-  
14 banned as an illegal and dangerous narcotic. Social equity  
15 considerations were not fully considered in licensing criteria for  
16 the newly created adult use marijuana industry. Subsequently concerns  
17 have been widely expressed about the absence of social equity in  
18 Washington's marijuana industry.

19       (2) The legislature finds that the history of marijuana  
20 prohibition enforcement has created disproportionate impacts, with  
21 the greatest harm falling upon communities of color. National data

1 indicate that while African Americans and white Americans have  
2 similar marijuana usage rates, African Americans have been arrested  
3 at four times the rate of white Americans. Data for Washington state  
4 also show disproportionate impacts across racial and ethnic lines  
5 from marijuana prohibition enforcement. Latino and Native American  
6 Washingtonians were arrested for marijuana possession 1.6 times more  
7 often than white residents between 2000 and 2010. Even after  
8 Washington voters legalized marijuana possession and use for adults,  
9 disproportionate impacts continued, with arrests of African Americans  
10 in Washington for possession remaining more than twice the arrest  
11 rate for white residents, according to Washington State University  
12 research.

13 (3) The legislature finds that social equity with respect to  
14 marijuana requires not merely the elimination of legal prohibitions,  
15 but also economic opportunity for residents who come from communities  
16 disproportionately impacted by historical marijuana prohibition. In  
17 order to exemplify social equity values, the marijuana industry must  
18 diversify participation and be a better reflection of the population  
19 of the state. The legislature therefore declares that a modest number  
20 of additional opportunities to enter the marijuana industry as an  
21 entrepreneur will be allowed and that these new opportunities for  
22 marijuana retail licenses are intended to result in a more diverse  
23 industry that reflects Washington's social equity values.

24 **Sec. 2.** RCW 69.50.345 and 2019 c 393 s 2 are each amended to  
25 read as follows:

26 The state liquor and cannabis board, subject to the provisions of  
27 this chapter, must adopt rules that establish the procedures and  
28 criteria necessary to implement the following:

29 (1) Licensing of marijuana producers, marijuana processors, and  
30 marijuana retailers, including prescribing forms and establishing  
31 application, reinstatement, and renewal fees.

32 (a) Application forms for marijuana producers must request the  
33 applicant to state whether the applicant intends to produce marijuana  
34 for sale by marijuana retailers holding medical marijuana  
35 endorsements and the amount of or percentage of canopy the applicant  
36 intends to commit to growing plants determined by the department  
37 under RCW 69.50.375 to be of a THC concentration, CBD concentration,  
38 or THC to CBD ratio appropriate for marijuana concentrates, useable  
39 marijuana, or marijuana-infused products sold to qualifying patients.

1 (b) The state liquor and cannabis board must reconsider and  
2 increase limits on the amount of square feet permitted to be in  
3 production on July 24, 2015, and increase the percentage of  
4 production space for those marijuana producers who intend to grow  
5 plants for marijuana retailers holding medical marijuana endorsements  
6 if the marijuana producer designates the increased production space  
7 to plants determined by the department under RCW 69.50.375 to be of a  
8 THC concentration, CBD concentration, or THC to CBD ratio appropriate  
9 for marijuana concentrates, useable marijuana, or marijuana-infused  
10 products to be sold to qualifying patients. If current marijuana  
11 producers do not use all the increased production space, the state  
12 liquor and cannabis board may reopen the license period for new  
13 marijuana producer license applicants but only to those marijuana  
14 producers who agree to grow plants for marijuana retailers holding  
15 medical marijuana endorsements. Priority in licensing must be given  
16 to marijuana producer license applicants who have an application  
17 pending on July 24, 2015, but who are not yet licensed and then to  
18 new marijuana producer license applicants. After January 1, 2017, any  
19 reconsideration of the limits on the amount of square feet permitted  
20 to be in production to meet the medical needs of qualifying patients  
21 must consider information contained in the medical marijuana  
22 authorization database established in RCW 69.51A.230;

23 (2) Determining, in consultation with the office of financial  
24 management, the maximum number of retail outlets that may be licensed  
25 in each county, taking into consideration:

26 (a) Population distribution;

27 (b) Security and safety issues;

28 (c) The provision of adequate access to licensed sources of  
29 marijuana concentrates, useable marijuana, and marijuana-infused  
30 products to discourage purchases from the illegal market; ~~((and))~~

31 (d) The number of retail outlets holding medical marijuana  
32 endorsements necessary to meet the medical needs of qualifying  
33 patients. ~~((The state liquor and cannabis board must reconsider and  
34 increase the maximum number of retail outlets it established before  
35 July 24, 2015, and allow for a new license application period and a  
36 greater number of retail outlets to be permitted in order to  
37 accommodate the medical needs of qualifying patients and designated  
38 providers. After January 1, 2017,))~~ Any reconsideration of the  
39 maximum number of retail outlets needed to meet the medical needs of  
40 qualifying patients must consider information contained in the

1 medical marijuana authorization database established in RCW  
2 69.51A.230; and

3 (e) The number of retail outlets requested by local governments  
4 under section 4 of this act. The state liquor and cannabis board  
5 must, on a schedule to be determined by the board, reconsider and  
6 increase the maximum number of retail outlets if an increase is  
7 necessary to meet the social equity goals defined in section 4 of  
8 this act;

9 (3) Determining the maximum quantity of marijuana a marijuana  
10 producer may have on the premises of a licensed location at any time  
11 without violating Washington state law;

12 (4) Determining the maximum quantities of marijuana, marijuana  
13 concentrates, useable marijuana, and marijuana-infused products a  
14 marijuana processor may have on the premises of a licensed location  
15 at any time without violating Washington state law;

16 (5) Determining the maximum quantities of marijuana concentrates,  
17 useable marijuana, and marijuana-infused products a marijuana  
18 retailer may have on the premises of a retail outlet at any time  
19 without violating Washington state law;

20 (6) In making the determinations required by this section, the  
21 state liquor and cannabis board shall take into consideration:

22 (a) Security and safety issues;

23 (b) The provision of adequate access to licensed sources of  
24 marijuana, marijuana concentrates, useable marijuana, and marijuana-  
25 infused products to discourage purchases from the illegal market; and

26 (c) Economies of scale, and their impact on licensees' ability to  
27 both comply with regulatory requirements and undercut illegal market  
28 prices;

29 (7) Determining the nature, form, and capacity of all containers  
30 to be used by licensees to contain marijuana, marijuana concentrates,  
31 useable marijuana, and marijuana-infused products, and their labeling  
32 requirements;

33 (8) In consultation with the department of agriculture and the  
34 department, establishing classes of marijuana, marijuana  
35 concentrates, useable marijuana, and marijuana-infused products  
36 according to grade, condition, cannabinoid profile, THC  
37 concentration, CBD concentration, or other qualitative measurements  
38 deemed appropriate by the state liquor and cannabis board;

39 (9) Establishing reasonable time, place, and manner restrictions  
40 and requirements regarding advertising of marijuana, marijuana

1 concentrates, useable marijuana, and marijuana-infused products that  
2 are not inconsistent with the provisions of this chapter, taking into  
3 consideration:

4 (a) Federal laws relating to marijuana that are applicable within  
5 Washington state;

6 (b) Minimizing exposure of people under twenty-one years of age  
7 to the advertising;

8 (c) The inclusion of medically and scientifically accurate  
9 information about the health and safety risks posed by marijuana use  
10 in the advertising; and

11 (d) Ensuring that retail outlets with medical marijuana  
12 endorsements may advertise themselves as medical retail outlets;

13 (10) Specifying and regulating the time and periods when, and the  
14 manner, methods, and means by which, licensees shall transport and  
15 deliver marijuana, marijuana concentrates, useable marijuana, and  
16 marijuana-infused products within the state;

17 (11) In consultation with the department and the department of  
18 agriculture, establishing accreditation requirements for testing  
19 laboratories used by licensees to demonstrate compliance with  
20 standards adopted by the state liquor and cannabis board, and  
21 prescribing methods of producing, processing, and packaging  
22 marijuana, marijuana concentrates, useable marijuana, and marijuana-  
23 infused products; conditions of sanitation; and standards of  
24 ingredients, quality, and identity of marijuana, marijuana  
25 concentrates, useable marijuana, and marijuana-infused products  
26 produced, processed, packaged, or sold by licensees;

27 (12) Specifying procedures for identifying, seizing,  
28 confiscating, destroying, and donating to law enforcement for  
29 training purposes all marijuana, marijuana concentrates, useable  
30 marijuana, and marijuana-infused products produced, processed,  
31 packaged, labeled, or offered for sale in this state that do not  
32 conform in all respects to the standards prescribed by this chapter  
33 or the rules of the state liquor and cannabis board.

34 **Sec. 3.** RCW 69.50.345 and 2019 c 393 s 2 and 2019 c 277 s 6 are  
35 each reenacted and amended to read as follows:

36 The state liquor and cannabis board, subject to the provisions of  
37 this chapter, must adopt rules that establish the procedures and  
38 criteria necessary to implement the following:

1 (1) Licensing of marijuana producers, marijuana processors, and  
2 marijuana retailers, including prescribing forms and establishing  
3 application, reinstatement, and renewal fees.

4 (a) Application forms for marijuana producers must request the  
5 applicant to state whether the applicant intends to produce marijuana  
6 for sale by marijuana retailers holding medical marijuana  
7 endorsements and the amount of or percentage of canopy the applicant  
8 intends to commit to growing plants determined by the department  
9 under RCW 69.50.375 to be of a THC concentration, CBD concentration,  
10 or THC to CBD ratio appropriate for marijuana concentrates, useable  
11 marijuana, or marijuana-infused products sold to qualifying patients.

12 (b) The state liquor and cannabis board must reconsider and  
13 increase limits on the amount of square feet permitted to be in  
14 production on July 24, 2015, and increase the percentage of  
15 production space for those marijuana producers who intend to grow  
16 plants for marijuana retailers holding medical marijuana endorsements  
17 if the marijuana producer designates the increased production space  
18 to plants determined by the department under RCW 69.50.375 to be of a  
19 THC concentration, CBD concentration, or THC to CBD ratio appropriate  
20 for marijuana concentrates, useable marijuana, or marijuana-infused  
21 products to be sold to qualifying patients. If current marijuana  
22 producers do not use all the increased production space, the state  
23 liquor and cannabis board may reopen the license period for new  
24 marijuana producer license applicants but only to those marijuana  
25 producers who agree to grow plants for marijuana retailers holding  
26 medical marijuana endorsements. Priority in licensing must be given  
27 to marijuana producer license applicants who have an application  
28 pending on July 24, 2015, but who are not yet licensed and then to  
29 new marijuana producer license applicants. After January 1, 2017, any  
30 reconsideration of the limits on the amount of square feet permitted  
31 to be in production to meet the medical needs of qualifying patients  
32 must consider information contained in the medical marijuana  
33 authorization database established in RCW 69.51A.230;

34 (2) Determining, in consultation with the office of financial  
35 management, the maximum number of retail outlets that may be licensed  
36 in each county, taking into consideration:

37 (a) Population distribution;

38 (b) Security and safety issues;

1 (c) The provision of adequate access to licensed sources of  
2 marijuana concentrates, useable marijuana, and marijuana-infused  
3 products to discourage purchases from the illegal market; ~~((and))~~

4 (d) The number of retail outlets holding medical marijuana  
5 endorsements necessary to meet the medical needs of qualifying  
6 patients. ~~((The state liquor and cannabis board must reconsider and  
7 increase the maximum number of retail outlets it established before  
8 July 24, 2015, and allow for a new license application period and a  
9 greater number of retail outlets to be permitted in order to  
10 accommodate the medical needs of qualifying patients and designated  
11 providers. After January 1, 2017,))~~ Any reconsideration of the  
12 maximum number of retail outlets needed to meet the medical needs of  
13 qualifying patients must consider information contained in the  
14 medical marijuana authorization database established in RCW  
15 69.51A.230; and

16 (e) The number of retail outlets requested by local governments  
17 under section 4 of this act. The state liquor and cannabis board  
18 must, on a schedule to be determined by the board, reconsider and  
19 increase the maximum number of retail outlets if an increase is  
20 necessary to meet the social equity goals defined in section 4 of  
21 this act;

22 (3) Determining the maximum quantity of marijuana a marijuana  
23 producer may have on the premises of a licensed location at any time  
24 without violating Washington state law;

25 (4) Determining the maximum quantities of marijuana, marijuana  
26 concentrates, useable marijuana, and marijuana-infused products a  
27 marijuana processor may have on the premises of a licensed location  
28 at any time without violating Washington state law;

29 (5) Determining the maximum quantities of marijuana concentrates,  
30 useable marijuana, and marijuana-infused products a marijuana  
31 retailer may have on the premises of a retail outlet at any time  
32 without violating Washington state law;

33 (6) In making the determinations required by this section, the  
34 state liquor and cannabis board shall take into consideration:

35 (a) Security and safety issues;

36 (b) The provision of adequate access to licensed sources of  
37 marijuana, marijuana concentrates, useable marijuana, and marijuana-  
38 infused products to discourage purchases from the illegal market; and

1 (c) Economies of scale, and their impact on licensees' ability to  
2 both comply with regulatory requirements and undercut illegal market  
3 prices;

4 (7) Determining the nature, form, and capacity of all containers  
5 to be used by licensees to contain marijuana, marijuana concentrates,  
6 useable marijuana, and marijuana-infused products, and their labeling  
7 requirements;

8 (8) In consultation with the department of agriculture and the  
9 department, establishing classes of marijuana, marijuana  
10 concentrates, useable marijuana, and marijuana-infused products  
11 according to grade, condition, cannabinoid profile, THC  
12 concentration, CBD concentration, or other qualitative measurements  
13 deemed appropriate by the state liquor and cannabis board;

14 (9) Establishing reasonable time, place, and manner restrictions  
15 and requirements regarding advertising of marijuana, marijuana  
16 concentrates, useable marijuana, and marijuana-infused products that  
17 are not inconsistent with the provisions of this chapter, taking into  
18 consideration:

19 (a) Federal laws relating to marijuana that are applicable within  
20 Washington state;

21 (b) Minimizing exposure of people under twenty-one years of age  
22 to the advertising;

23 (c) The inclusion of medically and scientifically accurate  
24 information about the health and safety risks posed by marijuana use  
25 in the advertising; and

26 (d) Ensuring that retail outlets with medical marijuana  
27 endorsements may advertise themselves as medical retail outlets;

28 (10) Specifying and regulating the time and periods when, and the  
29 manner, methods, and means by which, licensees shall transport and  
30 deliver marijuana, marijuana concentrates, useable marijuana, and  
31 marijuana-infused products within the state;

32 (11) In consultation with the department and the department of  
33 agriculture, prescribing methods of producing, processing, and  
34 packaging marijuana, marijuana concentrates, useable marijuana, and  
35 marijuana-infused products; conditions of sanitation; and standards  
36 of ingredients, quality, and identity of marijuana, marijuana  
37 concentrates, useable marijuana, and marijuana-infused products  
38 produced, processed, packaged, or sold by licensees;

39 (12) Specifying procedures for identifying, seizing,  
40 confiscating, destroying, and donating to law enforcement for

1 training purposes all marijuana, marijuana concentrates, useable  
2 marijuana, and marijuana-infused products produced, processed,  
3 packaged, labeled, or offered for sale in this state that do not  
4 conform in all respects to the standards prescribed by this chapter  
5 or the rules of the state liquor and cannabis board.

6 NEW SECTION. **Sec. 4.** A new section is added to chapter 69.50  
7 RCW to read as follows:

8 (1) A city, town, or county may submit a request to the liquor  
9 and cannabis board to issue additional marijuana retailer licenses  
10 within its jurisdiction.

11 (2) In order to be considered for a retail license under  
12 subsection (1) of this section, applicants must:

13 (a) Submit a social equity plan along with other liquor and  
14 cannabis board marijuana retailer license requirements to the city,  
15 town, or county;

16 (b) Meet other criteria established by the city, town, or county  
17 to meet social equity goals and allow the city, town, or county to  
18 prioritize applications; and

19 (c) Not hold a majority share of a marijuana retail license at  
20 the time of application.

21 (3) The city, town, or county must evaluate the marijuana  
22 retailer application and social equity plan. If the city, town, or  
23 county recommends approval of an application, it must forward the  
24 complete application and social equity plan to the liquor and  
25 cannabis board.

26 (a) The liquor and cannabis board may give priority to those  
27 applicants who represent communities of color, veterans, and women.  
28 It may also prioritize applicants based on the extent to which the  
29 application reflects or addresses the items required by the social  
30 equity plan.

31 (b) The liquor and cannabis board may deny any application  
32 forwarded under this subsection if the liquor and cannabis board  
33 determines that:

34 (i) The application does not meet social equity goals or does not  
35 meet social equity plan requirements;

36 (ii) The application does not otherwise meet the licensing  
37 requirements of this chapter; or

38 (iii) Additional marijuana retailer licenses are not needed to  
39 meet social equity goals in that city, town, or county.

1 (4) The liquor and cannabis board may adopt rules to implement  
2 this section.

3 (5) For the purposes of this section:

4 (a) "Social equity goals" means: Increasing the number of  
5 marijuana retailer licenses held by members of the community who  
6 belong to a class of persons described in RCW 49.60.030(1) and who  
7 are underrepresented in the marijuana industry; and reducing  
8 disproportionate impacts from the historical application and  
9 enforcement of marijuana prohibition laws;

10 (b) "Social equity plan" means a plan put forth by a marijuana  
11 retailer applicant who belongs to a class of persons described in RCW  
12 49.60.030(1). The plan must include:

13 (i) A statement that the applicant belongs to a class of persons  
14 described in RCW 49.60.030(1) and intends to own at least fifty-one  
15 percent of the proposed marijuana retail business;

16 (ii) How issuing a marijuana retail license to the applicant will  
17 meet social equity goals;

18 (iii) The applicant's personal history with the criminal justice  
19 system including any offenses involving marijuana;

20 (iv) The composition of the workforce the applicant intends to  
21 hire, especially persons of color, veterans, and women;

22 (v) Neighborhood characteristics of the location where the  
23 applicant intends to operate, focusing on the disproportionate  
24 historical impacts of marijuana prohibition; and

25 (vi) Business plans involving partnerships or assistance to  
26 organizations or residents with connection to populations with a  
27 history of disproportionate impact and harm related to enforcement of  
28 marijuana prohibition.

29 NEW SECTION. **Sec. 5.** A new section is added to chapter 69.50  
30 RCW to read as follows:

31 (1) Marijuana retailer licenses that have been subject to  
32 forfeiture, revocation, or cancellation by the liquor and cannabis  
33 board may be reissued to an applicant who meets the marijuana  
34 retailer license requirements of this chapter. Priority in licensing  
35 must be given to those applicants who, along with their application,  
36 submit a social equity plan as provided in section 4 of this act that  
37 is approved by the liquor and cannabis board as meeting social equity  
38 goals as provided in section 4 of this act.

(2) The liquor and cannabis board may adopt rules to implement this section.

NEW SECTION. **Sec. 6.** A new section is added to chapter 43.330 RCW to read as follows:

(1) The technical assistance competitive grant program is established and is to be administered by the department.

(2) The technical assistance competitive grant program must award grants on a competitive basis to marijuana retailer license applicants who are submitting social equity plans under section 4 or 5 of this act. Technical assistance activities eligible for funding under the technical assistance competitive grant program include:

(a) Assistance navigating the marijuana retailer licensure process;

(b) Marijuana-business specific education and business plan development;

(c) Legal and regulatory compliance training;

(d) Financial management training and assistance in seeking micro loans;

(e) The purchase of equipment, software, or facilities; and

(f) Connecting applicants with established industry members and tribal marijuana enterprises and programs for mentoring and other forms of support approved by the liquor and cannabis board and city, town, and county authorities.

(3) If the marijuana retailer license applicant is applying for a license under section 4 of this act, the city, town, or county must provide a matching grant equal to or greater than the total amount of funds awarded by the technical assistance competitive grant program.

(4) Funding for the technical assistance competitive grant program must be provided through the dedicated marijuana account under RCW 69.50.540. Additionally, the department may solicit, receive, and expend private contributions to support the grant program.

(5) The department may adopt rules to implement this section.

**Sec. 7.** RCW 69.50.540 and 2019 c 415 s 978 are each amended to read as follows:

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

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

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

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

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

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

(ii) Two million six hundred fifty-one thousand seven hundred fifty dollars for fiscal year 2018 and three hundred fifty-one thousand seven hundred fifty dollars for fiscal year 2019 to the health professions account established under RCW 43.70.320 for the development and administration of the marijuana authorization database by the department of health;

1 (iii) Two million seven hundred twenty-three thousand dollars for  
2 fiscal year 2020 and two million five hundred twenty-three thousand  
3 dollars for fiscal year 2021 to the Washington state patrol for a  
4 drug enforcement task force. It is the intent of the legislature that  
5 this policy will be continued in the 2021-2023 fiscal biennium; and

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

9 (e) Four hundred sixty-five thousand dollars for fiscal year 2020  
10 and four hundred sixty-four thousand dollars for fiscal year 2021 to  
11 the department of ecology for implementation of accreditation of  
12 marijuana product testing laboratories;

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

16 (g) Eight hundred eight thousand dollars for fiscal year 2020 and  
17 eight hundred eight thousand dollars for fiscal year 2021 to the  
18 department of health for the administration of the marijuana  
19 authorization database; ((and))

20 (h) (((\$635,000 [six hundred thirty-five thousand dollars])) Six  
21 hundred thirty-five thousand dollars for fiscal year 2020 and  
22 (((\$635,000 [six hundred thirty-five thousand dollars])) six hundred  
23 thirty-five thousand dollars for fiscal year 2021 to the department  
24 of agriculture for compliance-based laboratory analysis of pesticides  
25 in marijuana((-)); and

26 (i) One hundred thousand dollars annually to the department of  
27 commerce to fund the technical assistance competitive grant program  
28 under section 6 of this act; and

29 (2) From the amounts in the dedicated marijuana account after  
30 appropriation of the amounts identified in subsection (1) of this  
31 section, the legislature must appropriate for the purposes listed in  
32 this subsection (2) as follows:

33 (a)(i) Up to fifteen percent to the health care authority for the  
34 development, implementation, maintenance, and evaluation of programs  
35 and practices aimed at the prevention or reduction of maladaptive  
36 substance use, substance use disorder, substance abuse or substance  
37 dependence, as these terms are defined in the Diagnostic and  
38 Statistical Manual of Mental Disorders, among middle school and high  
39 school-age students, whether as an explicit goal of a given program  
40 or practice or as a consistently corresponding effect of its

1 implementation, mental health services for children and youth, and  
2 services for pregnant and parenting women; PROVIDED, That:

3 (A) Of the funds appropriated under (a)(i) of this subsection for  
4 new programs and new services, at least eighty-five percent must be  
5 directed to evidence-based or research-based programs and practices  
6 that produce objectively measurable results and, by September 1,  
7 2020, are cost-beneficial; and

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

12 (ii) In deciding which programs and practices to fund, the  
13 director of the health care authority must consult, at least  
14 annually, with the University of Washington's social development  
15 research group and the University of Washington's alcohol and drug  
16 abuse institute.

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

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

22 (A) Creation, implementation, operation, and management of a  
23 marijuana education and public health program that contains the  
24 following:

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

30 (II) A grants program for local health departments or other local  
31 community agencies that supports development and implementation of  
32 coordinated intervention strategies for the prevention and reduction  
33 of marijuana use by youth; and

34 (III) Media-based education campaigns across television,  
35 internet, radio, print, and out-of-home advertising, separately  
36 targeting youth and adults, that provide medically and scientifically  
37 accurate information about the health and safety risks posed by  
38 marijuana use; and

39 (B) The Washington poison control center.

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

4 (c)(i) Up to six-tenths of one percent to the University of  
5 Washington and four-tenths of one percent to Washington State  
6 University for research on the short and long-term effects of  
7 marijuana use, to include but not be limited to formal and informal  
8 methods for estimating and measuring intoxication and impairment, and  
9 for the dissemination of such research.

10 (ii) For each fiscal year, except for the 2017-2019 and 2019-2021  
11 fiscal biennia, the legislature must appropriate a minimum of one  
12 million twenty-one thousand dollars to the University of Washington.  
13 For each fiscal year, except for the 2017-2019 and 2019-2021 fiscal  
14 biennia, the legislature must appropriate a minimum of six hundred  
15 eighty-one thousand dollars to Washington State University under this  
16 subsection (2)(c). It is the intent of the legislature that this  
17 policy will be continued in the 2019-2021 fiscal biennium;

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

21 (e) Five percent to the Washington state health care authority to  
22 be expended exclusively through contracts with community health  
23 centers to provide primary health and dental care services, migrant  
24 health services, and maternity health care services as provided under  
25 RCW 41.05.220;

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

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

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

38 (i) Beginning in fiscal year 2018, if marijuana excise tax  
39 collections deposited into the general fund in the prior fiscal year  
40 exceed twenty-five million dollars, then each fiscal year the

1 legislature must appropriate an amount equal to thirty percent of all  
2 marijuana excise taxes deposited into the general fund the prior  
3 fiscal year to the treasurer for distribution to counties, cities,  
4 and towns as follows:

5 (A) Thirty percent must be distributed to counties, cities, and  
6 towns where licensed marijuana retailers are physically located. Each  
7 jurisdiction must receive a share of the revenue distribution under  
8 this subsection (2)(g)(i)(A) based on the proportional share of the  
9 total revenues generated in the individual jurisdiction from the  
10 taxes collected under RCW 69.50.535, from licensed marijuana  
11 retailers physically located in each jurisdiction. For purposes of  
12 this subsection (2)(g)(i)(A), one hundred percent of the proportional  
13 amount attributed to a retailer physically located in a city or town  
14 must be distributed to the city or town.

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

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

24 (iii) By September 15th of each year, the state liquor and  
25 cannabis board must provide the state treasurer the annual  
26 distribution amount, if any, for each county and city as determined  
27 in (g)(i) of this subsection (2).

28 (iv) The total share of marijuana excise tax revenues distributed  
29 to counties and cities in (g)(i) of this subsection (2) may not  
30 exceed fifteen million dollars in fiscal years 2018, 2019, 2020, and  
31 2021, and twenty million dollars per fiscal year thereafter. It is  
32 the intent of the legislature that the policy for the maximum  
33 distributions in the subsequent fiscal biennia will be no more than  
34 fifteen million dollars per fiscal year.

35 ~~((For the purposes of this section, "marijuana products" means~~  
36 ~~"useable marijuana," "marijuana concentrates," and "marijuana-infused~~  
37 ~~products" as those terms are defined in RCW 69.50.101.))~~

38 NEW SECTION. **Sec. 8.** Section 2 of this act expires July 1,  
39 2024.

1        NEW SECTION.    **Sec. 9.**    Section 3 of this act takes effect July 1,  
2    2024.

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