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HOUSE BILL 2900

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State of Washington

66th Legislature

2020 Regular Session

By Representative Peterson

1 AN ACT Relating to marijuana excise tax distributions to local  
2 governments; and amending RCW 69.50.540.

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

4 **Sec. 1.** RCW 69.50.540 and 2019 c 415 s 978 are each amended to  
5 read as follows:

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

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

11 (a) One hundred twenty-five thousand dollars to the health care  
12 authority to design and administer the Washington state healthy youth  
13 survey, analyze the collected data, and produce reports, in  
14 collaboration with the office of the superintendent of public  
15 instruction, department of health, department of commerce, family  
16 policy council, and state liquor and cannabis board. The survey must  
17 be conducted at least every two years and include questions  
18 regarding, but not necessarily limited to, academic achievement, age  
19 at time of substance use initiation, antisocial behavior of friends,  
20 attitudes toward antisocial behavior, attitudes toward substance use,  
21 laws and community norms regarding antisocial behavior, family

1 conflict, family management, parental attitudes toward substance use,  
2 peer rewarding of antisocial behavior, perceived risk of substance  
3 use, and rebelliousness. Funds disbursed under this subsection may be  
4 used to expand administration of the healthy youth survey to student  
5 populations attending institutions of higher education in Washington;

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

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

16 (d) One million two hundred fifty thousand dollars equally to  
17 counties the office of financial management identifies as having, on  
18 the effective date of this section, a population of at least eight  
19 hundred thousand and that on or before the effective date of this  
20 section have authorized, fixed, or imposed the additional sales and  
21 use tax authorized by RCW 82.14.460. A county receiving payments  
22 under this subsection shall use moneys received under this subsection  
23 for the benefit of vulnerable persons in need within the community  
24 who are receiving or seeking services related to mental health  
25 treatment, substance abuse treatment, or diversion programs  
26 associated with criminal proceedings. Moneys may also be used by a  
27 county receiving payments under this subsection for creating new  
28 programs for vulnerable persons in need of the preceding and similar  
29 types of behavioral health services, as well as for assisting  
30 vulnerable persons in need with ancillary services such as housing  
31 and transportation;

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

36 (ii) Two million six hundred fifty-one thousand seven hundred  
37 fifty dollars for fiscal year 2018 and three hundred fifty-one  
38 thousand seven hundred fifty dollars for fiscal year 2019 to the  
39 health professions account established under RCW 43.70.320 for the

1 development and administration of the marijuana authorization  
2 database by the department of health;

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

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

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

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

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

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

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

32 (a) (i) Up to fifteen percent to the health care authority for the  
33 development, implementation, maintenance, and evaluation of programs  
34 and practices aimed at the prevention or reduction of maladaptive  
35 substance use, substance use disorder, substance abuse or substance  
36 dependence, as these terms are defined in the Diagnostic and  
37 Statistical Manual of Mental Disorders, among middle school and high  
38 school-age students, whether as an explicit goal of a given program  
39 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  
29 distributed to counties and cities in (g)(i) of this subsection (2)  
30 may not exceed fifteen million dollars in fiscal years 2018, 2019,  
31 2020, and 2021, and twenty million dollars per fiscal year  
32 thereafter. It is the intent of the legislature that the policy for  
33 the maximum distributions in the subsequent fiscal biennia will be no  
34 more than 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.

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