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HOUSE BILL 1099

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State of Washington

65th Legislature

2017 Regular Session

By Representatives Sawyer, Condotta, and Kirby

Read first time 01/11/17. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to local governments' unofficial moratoria on  
2 state-licensed marijuana retail outlets; amending RCW 66.08.190,  
3 66.24.065, and 69.50.540; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** (1)(a) If, by January 1, 2018, a local  
6 government that has not adopted an ordinance or resolution, then in  
7 effect, that expressly prohibits the siting and operation of state-  
8 licensed marijuana retail outlets within the local government's  
9 jurisdiction refuses to issue, upon application, to a person,  
10 business, or nonprofit entity that holds a marijuana retailer's  
11 license issued under RCW 69.50.325, any license, permit, or other  
12 authorization required under a local ordinance or resolution to  
13 lawfully operate a business within the local government's  
14 jurisdiction that the person, business, or nonprofit entity would  
15 otherwise be eligible to receive if engaged in a lawful business not  
16 related to marijuana sales, then the local government forfeits  
17 seventy percent of the local government's share of liquor revenue  
18 distributions that the local government would otherwise receive  
19 pursuant to RCW 66.24.065 and 66.08.190.

20 (b) A local government that forfeits seventy percent of the local  
21 government's share of liquor revenue distributions that the local

1 government would otherwise receive pursuant to RCW 66.24.065 and  
2 66.08.190, as provided in (a) of this subsection, also forfeits all  
3 moneys the local government would otherwise receive pursuant to a  
4 distribution in accordance with RCW 69.50.540(2)(g).

5 (2) The amount of money that is equal to seventy percent of a  
6 local government's share of liquor revenue distributions that the  
7 local government would otherwise receive pursuant to RCW 66.24.065  
8 and 66.08.190, and all of the moneys that the local government would  
9 otherwise receive pursuant to RCW 69.50.540(2)(g)(i), but that is  
10 forfeited pursuant to this section, may be transferred to the state  
11 general fund.

12 (3) A modification to liquor revenue distributions and marijuana  
13 excise tax distributions pursuant to subsections (1) and (2) of this  
14 section is effective until:

15 (a) The date a local government has in effect an ordinance or  
16 resolution expressly prohibiting the siting and operation of state-  
17 licensed marijuana retail outlets within the local government's  
18 jurisdiction; or

19 (b) The local government issues, upon application, to any person,  
20 business, or nonprofit entity that holds a marijuana retailer's  
21 license issued under RCW 69.50.325, any license, permit, and other  
22 authorization required under a local ordinance or resolution to  
23 lawfully operate a business within the local government's  
24 jurisdiction that the person, business, or nonprofit entity would  
25 otherwise be eligible to receive if engaged in a lawful business not  
26 related to marijuana sales.

27 (4) For the purposes of this section, "local government" means a  
28 county, city, or town.

29 **Sec. 2.** RCW 66.08.190 and 2012 2nd sp.s. c 5 s 8 are each  
30 amended to read as follows:

31 (1) Prior to making distributions described in subsection (2) of  
32 this section, amounts must be retained to support allotments under  
33 RCW 43.88.110 from any legislative appropriation for municipal  
34 research and services. The legislative appropriation for such  
35 services must be in the amount specified under RCW 66.24.065.

36 (2) When excess funds are distributed during the months of June,  
37 September, December, and March of each year, all moneys subject to  
38 distribution must be disbursed to border areas, counties, cities, and  
39 towns as provided in RCW 66.24.065.

1 (3) The amount remaining after distributions under subsections  
2 (1) and (2) of this section must be deposited into the general fund.

3 (4) Distributions made pursuant to this section are subject to  
4 section 1 of this act.

5 **Sec. 3.** RCW 66.24.065 and 2012 c 2 s 302 are each amended to  
6 read as follows:

7 (1) The distribution of spirits license fees under RCW 66.24.630  
8 and 66.24.055 through the liquor revolving fund to border areas,  
9 counties, cities, towns, and the municipal research center must be  
10 made in a manner that provides that each category of recipients  
11 receive, in the aggregate, no less than it received from the liquor  
12 revolving fund during comparable periods prior to December 8, 2011,  
13 except as provided in subsection (2) of this section. An additional  
14 distribution of ten million dollars per year from the spirits license  
15 fees must be provided to border areas, counties, cities, and towns  
16 through the liquor revolving fund for the purpose of enhancing public  
17 safety programs, except as provided in subsection (2) of this  
18 section.

19 (2) Distributions made pursuant to this section are subject to  
20 section 1 of this act.

21 **Sec. 4.** RCW 69.50.540 and 2015 3rd sp.s. c 4 s 967 are each  
22 amended to read as follows:

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

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

28 (a) Beginning July 1, 2015, one hundred twenty-five thousand  
29 dollars to the department of social and health services to design and  
30 administer the Washington state healthy youth survey, analyze the  
31 collected data, and produce reports, in collaboration with the office  
32 of the superintendent of public instruction, department of health,  
33 department of commerce, family policy council, and state liquor and  
34 cannabis board. The survey must be conducted at least every two years  
35 and include questions regarding, but not necessarily limited to,  
36 academic achievement, age at time of substance use initiation,  
37 antisocial behavior of friends, attitudes toward antisocial behavior,  
38 attitudes toward substance use, laws and community norms regarding

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

7 (b) Beginning July 1, 2015, fifty thousand dollars to the  
8 department of social and health services for the purpose of  
9 contracting with the Washington state institute for public policy to  
10 conduct the cost-benefit evaluation and produce the reports described  
11 in RCW 69.50.550. This appropriation ends after production of the  
12 final report required by RCW 69.50.550;

13 (c) Beginning July 1, 2015, five thousand dollars to the  
14 University of Washington alcohol and drug abuse institute for the  
15 creation, maintenance, and timely updating of web-based public  
16 education materials providing medically and scientifically accurate  
17 information about the health and safety risks posed by marijuana use;

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

22 (e) Twenty-three thousand seven hundred fifty dollars to the  
23 department of enterprise services provided solely for the state  
24 building code council established under RCW 19.27.070, to develop and  
25 adopt fire and building code provisions related to marijuana  
26 processing and extraction facilities. The distribution under this  
27 subsection (1)(e) is for fiscal year 2016 only;

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 department of social and  
33 health services division of behavioral health and recovery 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 secretary of the department of social and health services must  
14 consult, at least annually, with the University of Washington's  
15 social development research group and the University of Washington's  
16 alcohol and drug abuse institute.

17 (iii) For the fiscal year beginning July 1, 2016, the legislature  
18 must appropriate a minimum of twenty-seven million seven hundred  
19 eighty-six thousand dollars, and for each subsequent fiscal year  
20 thereafter, the legislature must appropriate a minimum of twenty-five  
21 million five hundred thirty-six thousand dollars under this  
22 subsection (2)(a);

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

25 (A) Creation, implementation, operation, and management of a  
26 marijuana education and public health program that contains the  
27 following:

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

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

37 (III) Media-based education campaigns across television,  
38 internet, radio, print, and out-of-home advertising, separately  
39 targeting youth and adults, that provide medically and scientifically

1 accurate information about the health and safety risks posed by  
2 marijuana use;

3 (B) The Washington poison control center; and

4 (C) During the 2015-2017 fiscal biennium, the funds appropriated  
5 under this subsection (2)(b) may be used for prevention activities  
6 that target youth and populations with a high incidence of tobacco  
7 use.

8 (ii) For the fiscal year beginning July 1, 2016, the legislature  
9 must appropriate a minimum of seven million five hundred thousand  
10 dollars and for each subsequent fiscal year thereafter, the  
11 legislature must appropriate a minimum of nine million seven hundred  
12 fifty thousand dollars under this subsection (2)(b);

13 (c)(i) Up to six-tenths of one percent to the University of  
14 Washington and four-tenths of one percent to Washington State  
15 University for research on the short and long-term effects of  
16 marijuana use, to include but not be limited to formal and informal  
17 methods for estimating and measuring intoxication and impairment, and  
18 for the dissemination of such research.

19 (ii) For the fiscal year beginning July 1, 2016, the legislature  
20 must appropriate a minimum of two hundred seven thousand dollars and  
21 for each subsequent fiscal year, the legislature must appropriate a  
22 minimum of one million twenty-one thousand dollars to the University  
23 of Washington. For the fiscal year beginning July 1, 2016, the  
24 legislature must appropriate a minimum of one hundred thirty-eight  
25 thousand dollars and for each subsequent fiscal year thereafter, a  
26 minimum of six hundred eighty-one thousand dollars to Washington  
27 State University under this subsection (2)(c);

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

31 (e) Five percent to the Washington state health care authority to  
32 be expended exclusively through contracts with community health  
33 centers to provide primary health and dental care services, migrant  
34 health services, and maternity health care services as provided under  
35 RCW 41.05.220;

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

39 (ii) For the fiscal year beginning July 1, 2016, and each  
40 subsequent fiscal year, the legislature must appropriate a minimum of

1 five hundred eleven thousand dollars to the office of the  
2 superintendent of public instruction under this subsection (2)(f);  
3 (~~and~~)

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

9 (i) Beginning in fiscal year 2018, if marijuana excise tax  
10 collections deposited into the general fund in the prior fiscal year  
11 exceed twenty-five million dollars, then each fiscal year the  
12 legislature must, except as provided in (h) of this subsection,  
13 appropriate an amount equal to thirty percent of all marijuana excise  
14 taxes deposited into the general fund the prior fiscal year to the  
15 treasurer for distribution to counties, cities, and towns as follows:

16 (A) Thirty percent must be distributed to counties, cities, and  
17 towns where licensed marijuana retailers are physically located. Each  
18 jurisdiction must receive a share of the revenue distribution under  
19 this subsection (2)(g)(i)(A) based on the proportional share of the  
20 total revenues generated in the individual jurisdiction from the  
21 taxes collected under RCW 69.50.535, from licensed marijuana  
22 retailers physically located in each jurisdiction. For purposes of  
23 this subsection (2)(g)(i)(A), one hundred percent of the proportional  
24 amount attributed to a retailer physically located in a city or town  
25 must be distributed to the city or town.

26 (B) Seventy percent must be distributed to counties, cities, and  
27 towns ratably on a per capita basis. Counties must receive sixty  
28 percent of the distribution, which must be disbursed based on each  
29 county's total proportional population. Funds may only be distributed  
30 to jurisdictions that do not prohibit the siting of any state  
31 licensed marijuana producer, processor, or retailer, and the receipt  
32 of funds is subject to section 1 of this act.

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

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

1 (iv) The total share of marijuana excise tax revenues distributed  
2 to counties and cities in (g)(i) of this subsection (2) may not  
3 exceed fifteen million dollars in fiscal years 2018 and 2019 and  
4 twenty million dollars per fiscal year thereafter; and

5 (h) All distributions to counties, cities, and towns under (g)(i)  
6 of this subsection are subject to section 1 of this act.

7 For the purposes of this section, "marijuana products" means  
8 "useable marijuana," "marijuana concentrates," and "marijuana-infused  
9 products" as those terms are defined in RCW 69.50.101.

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