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**HOUSE BILL 1959**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** Representatives Dye, Dent, Schmick, Lovick, Griffey, Barkis, and Eslick

Read first time 02/07/19. Referred to Committee on Appropriations.

1 AN ACT Relating to the distribution of marijuana excise taxes to  
2 local jurisdictions; and reenacting 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 2018 c 299 s 910 and 2018 c 201 s 8014  
5 are each reenacted and amended to 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) Beginning July 1, 2017, one hundred twenty-five thousand  
12 dollars to the health care authority to design and administer the  
13 Washington state healthy youth survey, analyze the collected data,  
14 and produce reports, in collaboration with the office of the  
15 superintendent of public instruction, department of health,  
16 department of commerce, family policy council, and state liquor and  
17 cannabis board. The survey must be conducted at least every two years  
18 and include questions regarding, but not necessarily limited to,  
19 academic achievement, age at time of substance use initiation,  
20 antisocial behavior of friends, attitudes toward antisocial behavior,  
21 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, 2017, fifty thousand dollars to the health  
8 care authority for the purpose of contracting with the Washington  
9 state institute for public policy to conduct the cost-benefit  
10 evaluation and produce the reports described in RCW 69.50.550. This  
11 appropriation ends after production of the final report required by  
12 RCW 69.50.550;

13 (c) Beginning July 1, 2017, 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) (i) 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 (ii) Two million six hundred fifty-one thousand seven hundred  
23 fifty dollars for fiscal year 2018 and three hundred fifty-one  
24 thousand seven hundred fifty dollars for fiscal year 2019 to the  
25 health professions account established under RCW 43.70.320 for the  
26 development and administration of the marijuana authorization  
27 database by the department of health;

28 (iii) Two million eight hundred three thousand dollars for fiscal  
29 year 2019 to the Washington state patrol for a drug enforcement task  
30 force. It is the intent of the legislature that this policy will be  
31 continued in the 2019-2021 fiscal biennium; and

32 (iv) Ninety-eight thousand dollars for fiscal year 2019 to the  
33 department of ecology for research on accreditation of marijuana  
34 product testing laboratories.

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

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

5 (a) (i) Up to fifteen percent to the health care authority for the  
6 development, implementation, maintenance, and evaluation of programs  
7 and practices aimed at the prevention or reduction of maladaptive  
8 substance use, substance use disorder, substance abuse or substance  
9 dependence, as these terms are defined in the Diagnostic and  
10 Statistical Manual of Mental Disorders, among middle school and high  
11 school-age students, whether as an explicit goal of a given program  
12 or practice or as a consistently corresponding effect of its  
13 implementation, mental health services for children and youth, and  
14 services for pregnant and parenting women; PROVIDED, That:

15 (A) Of the funds appropriated under (a) (i) of this subsection for  
16 new programs and new services, at least eighty-five percent must be  
17 directed to evidence-based or research-based programs and practices  
18 that produce objectively measurable results and, by September 1,  
19 2020, are cost-beneficial; and

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

24 (ii) In deciding which programs and practices to fund, the  
25 director of the health care authority must consult, at least  
26 annually, with the University of Washington's social development  
27 research group and the University of Washington's alcohol and drug  
28 abuse institute.

29 (iii) For the fiscal year beginning July 1, 2016, the legislature  
30 must appropriate a minimum of twenty-seven million seven hundred  
31 eighty-six thousand dollars, and for each subsequent fiscal year  
32 thereafter, the legislature must appropriate a minimum of twenty-five  
33 million five hundred thirty-six thousand dollars under this  
34 subsection (2) (a);

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

37 (A) Creation, implementation, operation, and management of a  
38 marijuana education and public health program that contains the  
39 following:

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

6 (II) A grants program for local health departments or other local  
7 community agencies that supports development and implementation of  
8 coordinated intervention strategies for the prevention and reduction  
9 of marijuana use by youth; and

10 (III) Media-based education campaigns across television,  
11 internet, radio, print, and out-of-home advertising, separately  
12 targeting youth and adults, that provide medically and scientifically  
13 accurate information about the health and safety risks posed by  
14 marijuana use;

15 (B) The Washington poison control center; and

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

20 (ii) For the fiscal year beginning July 1, 2016, the legislature  
21 must appropriate a minimum of seven million five hundred thousand  
22 dollars and for each subsequent fiscal year thereafter, the  
23 legislature must appropriate a minimum of nine million seven hundred  
24 fifty thousand dollars under this subsection (2)(b);

25 (c)(i) Up to six-tenths of one percent to the University of  
26 Washington and four-tenths of one percent to Washington State  
27 University for research on the short and long-term effects of  
28 marijuana use, to include but not be limited to formal and informal  
29 methods for estimating and measuring intoxication and impairment, and  
30 for the dissemination of such research.

31 (ii) For the fiscal year beginning July 1, 2016, the legislature  
32 must appropriate a minimum of two hundred seven thousand dollars and  
33 for each subsequent fiscal year, except for the 2017-2019 fiscal  
34 biennium, the legislature must appropriate a minimum of one million  
35 twenty-one thousand dollars to the University of Washington. For the  
36 fiscal year beginning July 1, 2016, the legislature must appropriate  
37 a minimum of one hundred thirty-eight thousand dollars and for each  
38 subsequent fiscal year thereafter, except for the 2017-2019 fiscal  
39 biennium, a minimum of six hundred eighty-one thousand dollars to  
40 Washington State University under this subsection (2)(c). It is the

1 intent of the legislature that this policy will be continued in the  
2 2019-2021 fiscal biennium;

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

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

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

14 (ii) For the fiscal year beginning July 1, 2016, and each  
15 subsequent fiscal year, the legislature must appropriate a minimum of  
16 five hundred eleven thousand dollars to the office of the  
17 superintendent of public instruction under this subsection (2) (f);  
18 and

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

24 (i) Beginning in fiscal year ((2018)) 2020, if marijuana excise  
25 tax collections deposited into the general fund in the prior fiscal  
26 year exceed twenty-five million dollars, then each fiscal year the  
27 legislature must appropriate to the treasurer for distribution to  
28 counties, cities, and towns an amount equal to thirty percent of all  
29 marijuana excise taxes deposited into the general fund the prior  
30 fiscal year ((to the treasurer for distribution to counties, cities,  
31 and towns)) or thirty million dollars, whichever is greater. The  
32 appropriated funds must be distributed as follows:

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

1 ~~the proportional amount attributed to a retailer physically located~~  
2 ~~in a city or town must be distributed to the city or town)) as~~  
3 follows:

4 (I) One hundred fifty thousand dollars to each county; and

5 (II) The remaining funds must be distributed to each county  
6 ratably on a per capita basis.

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

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

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

21 (iv) ~~The ((total share of))~~ marijuana excise tax revenues  
22 distributed to counties ~~((and cities))~~ in (g)(i) of this subsection  
23 ~~((may not exceed fifteen million dollars in fiscal years 2018 and~~  
24 ~~2019 and twenty million dollars per fiscal year thereafter. It is the~~  
25 ~~intent of the legislature that the policy for the maximum~~  
26 ~~distributions in the subsequent fiscal biennia will be no more than~~  
27 ~~fifteen million dollars per fiscal year))~~ must be used for law  
28 enforcement and criminal justice purposes. Such funds shall not be  
29 used in any manner to supplant existing appropriated funds or  
30 existing resources at the time of transfer. For the purposes of this  
31 subsection, "criminal justice purposes" has the meaning provided in  
32 RCW 82.14.340(4).

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

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