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**HOUSE BILL 2870**

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**State of Washington**

**66th Legislature**

**2020 Regular Session**

**By** Representatives Pettigrew and Ryu; by request of Liquor and Cannabis Board

Read first time 01/28/20. Referred to Committee on Commerce & Gaming.

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 new  
5 sections; 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) The legislature finds that the history  
9 of marijuana prohibition enforcement has created disproportionate  
10 impacts, with the greatest harm falling upon communities of color.  
11 For example, national data indicate that while African Americans and  
12 white Americans have similar marijuana usage rates, African Americans  
13 have been arrested at four times the rate of white Americans. Data  
14 for Washington state also show disproportionate impacts across racial  
15 and ethnic lines from marijuana prohibition enforcement. As a further  
16 example, Latino and Native American Washingtonians were arrested for  
17 marijuana possession 1.6 times more often than white residents  
18 between 2000 and 2010. Even after Washington voters legalized  
19 marijuana possession and use for adults, disproportionate impacts  
20 continued, with arrests of African Americans in Washington for

1 possession remaining more than twice the arrest rate for white  
2 residents, according to Washington State University research.

3 (2) General prohibition of marijuana possession and use by adults  
4 in Washington ended when state voters enacted Initiative Measure No.  
5 502 in 2012. When the state created a system for legal marijuana  
6 production and retail sale, it was one of the first governmental  
7 jurisdictions to face the challenge of creating a regulatory  
8 structure for a controlled substance long-banned as an illegal and  
9 dangerous drug. Social equity considerations were not fully  
10 considered in licensing criteria for the newly created adult use  
11 marijuana industry. Subsequently concerns have been widely expressed  
12 about the absence of social equity in Washington's marijuana  
13 industry.

14 (3) The legislature finds that social equity with respect to  
15 marijuana requires not merely the elimination of legal prohibitions,  
16 but also economic opportunities particularly for residents who come  
17 from communities disproportionately impacted by historical marijuana  
18 prohibition. The legislature intends that the marijuana industry be  
19 reflective of the diverse population of the state and that it  
20 provides economic opportunities for all communities while addressing  
21 disproportionate impacts from prohibition. The legislature therefore  
22 declares that a modest number of additional opportunities to enter  
23 the marijuana industry as an entrepreneur may be allowed and that  
24 these new opportunities for marijuana retail licenses are intended to  
25 result in a more diverse industry that reflects Washington's social  
26 equity values.

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

29 The (~~state liquor and cannabis~~) board, subject to the  
30 provisions of this chapter, must adopt rules that establish the  
31 procedures and criteria necessary to implement the following:

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

35 (a) Application forms for marijuana producers must request the  
36 applicant to state whether the applicant intends to produce marijuana  
37 for sale by marijuana retailers holding medical marijuana  
38 endorsements and the amount of or percentage of canopy the applicant  
39 intends to commit to growing plants determined by the department

1 under RCW 69.50.375 to be of a THC concentration, CBD concentration,  
2 or THC to CBD ratio appropriate for marijuana concentrates, useable  
3 marijuana, or marijuana-infused products sold to qualifying patients.

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

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

29 (a) Population distribution;

30 (b) Security and safety issues;

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

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

1 ~~providers. After January 1, 2017,~~) Any reconsideration of the  
2 maximum number of retail outlets needed to meet the medical needs of  
3 qualifying patients must consider information contained in the  
4 medical marijuana authorization database established in RCW  
5 69.51A.230; and

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

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

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

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

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

24 (a) Security and safety issues;

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

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

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

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

1 (9) Establishing reasonable time, place, and manner restrictions  
2 and requirements regarding advertising of marijuana, marijuana  
3 concentrates, useable marijuana, and marijuana-infused products that  
4 are not inconsistent with the provisions of this chapter, taking into  
5 consideration:

6 (a) Federal laws relating to marijuana that are applicable within  
7 Washington state;

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

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

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

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

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

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

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

1       The (~~state liquor and cannabis~~) board, subject to the  
2 provisions of this chapter, must adopt rules that establish the  
3 procedures and criteria necessary to implement the following:

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

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

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

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

40       (a) Population distribution;

1 (b) Security and safety issues;

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

5 (d) The number of retail outlets holding medical marijuana  
6 endorsements necessary to meet the medical needs of qualifying  
7 patients. ~~((The state liquor and cannabis board must reconsider and  
8 increase the maximum number of retail outlets it established before  
9 July 24, 2015, and allow for a new license application period and a  
10 greater number of retail outlets to be permitted in order to  
11 accommodate the medical needs of qualifying patients and designated  
12 providers. After January 1, 2017,))~~ Any reconsideration of the  
13 maximum number of retail outlets needed to meet the medical needs of  
14 qualifying patients must consider information contained in the  
15 medical marijuana authorization database established in RCW  
16 69.51A.230; and

17 (e) The number of retail outlets requested by local governments  
18 under section 4 of this act. The board must, on a schedule to be  
19 determined by the board, reconsider and increase the maximum number  
20 of retail outlets if an increase is necessary to meet the social  
21 equity goals defined in section 4 of 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) Until July 1, 2026, a city, town, or county may submit a  
9 request to the 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 board marijuana  
14 retailer license requirements to the city, town, or county;

15 (b) Meet any other criteria which may, in the discretion of the  
16 local government, be established by the city, town, or county to meet  
17 social equity goals; and

18 (c) (i) Except as provided in (c) (ii) of this subsection, not hold  
19 any interest in any marijuana license at the time of application; and

20 (ii) Persons holding an existing marijuana retailer license or  
21 title certificate for a marijuana retailer business in a local  
22 jurisdiction subject to a ban or moratorium on marijuana retail  
23 businesses may apply for a license under this section and are not  
24 required to comply with (c) (i) of this subsection until awarded a  
25 license.

26 (3) The city, town, or county must forward to the board the  
27 marijuana retailer application and social equity plan for licensure  
28 determination. If the city, town, or county chooses to recommend that  
29 the board consider locally developed social equity program priorities  
30 or other criteria for licensure, the local government must inform the  
31 board of any such guidance.

32 (a) The board must give priority to those applicants who  
33 represent communities of color. It may also prioritize applicants  
34 based on the extent to which the application addresses the items  
35 required by the social equity plan.

36 (b) The board may deny any application forwarded under this  
37 subsection if the board determines that:

38 (i) The application does not meet social equity goals or does not  
39 meet social equity plan requirements;

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

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

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

6 (5) For the purposes of this section:

7 (a) "Social equity goals" means: Increasing the number of  
8 marijuana retailer licenses held by people of color, especially those  
9 from communities that are underrepresented in the marijuana industry;  
10 and reducing disproportionate impacts from the historical application  
11 and enforcement of marijuana prohibition laws;

12 (b) "Social equity plan" means a plan put forth by a marijuana  
13 retailer applicant who is a person of color. If the application  
14 proposes ownership by more than one person, then at least fifty-one  
15 percent of the proposed ownership structure must reflect membership  
16 in communities of color. The plan must include:

17 (i) A statement that the applicant belongs to one or more  
18 communities of color and intends to own at least fifty-one percent of  
19 the proposed marijuana retail business or applicants representing at  
20 least fifty-one percent of the ownership of the proposed business  
21 belong to one or more communities of color;

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

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

26 (iv) The composition of the workforce the applicant intends to  
27 hire, especially persons of color;

28 (v) Neighborhood characteristics of the location where the  
29 applicant intends to operate, focusing on the disproportionate  
30 historical impacts of marijuana prohibition; and

31 (vi) Business plans involving partnerships or assistance to  
32 organizations or residents with connection to populations with a  
33 history of disproportionate impact and harm related to enforcement of  
34 marijuana prohibition.

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

37 (1) Until July 1, 2026, marijuana retailer licenses that have  
38 been subject to forfeiture, revocation, or cancellation by the board,  
39 or marijuana retailer licenses that were not previously issued by the

1 board but could have been issued without exceeding the limit on the  
2 statewide number of marijuana retailer licenses established in rule  
3 by the board, may be issued or reissued to an applicant who meets the  
4 marijuana retailer license requirements of this chapter. Applicants  
5 must, along with their application, submit a social equity plan as  
6 provided in section 4 of this act that is approved by the board as  
7 meeting social equity goals as provided in section 4 of this act.

8 (2) Licenses issued under this section may be issued only to  
9 applicants who hold no interest in another marijuana license at the  
10 time of application, with the exception of applicants holding a  
11 marijuana retailer license or title certificate in a local  
12 jurisdiction subject to a ban or moratorium on marijuana retail  
13 businesses.

14 (3) The board may adopt rules to implement this section and  
15 section 4 of this act. Rules may include strategies for receiving  
16 advice on the social equity program created under section 4 of this  
17 act from communities the program is intended to benefit. Rules may  
18 also require that licenses awarded under this section and section 4  
19 of this act be transferred or sold only to individuals or groups of  
20 individuals who comply with the requirements for initial licensure in  
21 the social equity program under section 4 of this act.

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

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

26 (2) The technical assistance competitive grant program must award  
27 grants on a competitive basis to marijuana retailer license  
28 applicants who are submitting social equity plans under section 4 or  
29 5 of this act. The department must award grants primarily based on  
30 the strength of the social equity plans submitted by applicants but  
31 may also consider additional criteria if deemed necessary or  
32 appropriate by the department. Technical assistance activities  
33 eligible for funding under the technical assistance competitive grant  
34 program include:

35 (a) Assistance navigating the marijuana retailer licensure  
36 process;

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

39 (c) Regulatory compliance training;

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

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

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

8 (3) The technical assistance competitive grant must be denied if  
9 the marijuana retailer license applicant intends to locate in a city,  
10 town, or county that requested additional marijuana retailer licenses  
11 under section 4 of this act and the city, town, or county does not  
12 provide a matching grant equal to or greater than the total amount of  
13 funds to be awarded by the technical assistance competitive grant  
14 program.

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

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

21 **Sec. 7.** RCW 69.50.540 and 2019 c 415 s 978 are each amended to  
22 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 or  
28 as provided in this subsection:

29 (a) One hundred twenty-five thousand dollars to the health care  
30 authority to design and administer the Washington state healthy youth  
31 survey, analyze the collected data, and produce reports, in  
32 collaboration with the office of the superintendent of public  
33 instruction, department of health, department of commerce, family  
34 policy council, and (~~state liquor and cannabis~~) board. The survey  
35 must be conducted at least every two years and include questions  
36 regarding, but not necessarily limited to, academic achievement, age  
37 at time of substance use initiation, antisocial behavior of friends,  
38 attitudes toward antisocial behavior, attitudes toward substance use,  
39 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) (i) An amount not less than one million two hundred fifty  
17 thousand dollars to the ((~~state liquor and cannabis~~)) board for  
18 administration of this chapter as appropriated in the omnibus  
19 appropriations act;

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

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

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

34 (e) Four hundred sixty-five thousand dollars for fiscal year 2020  
35 and four hundred sixty-four thousand dollars for fiscal year 2021 to  
36 the department of ecology for implementation of accreditation of  
37 marijuana product testing laboratories;

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

1 (g) Eight hundred eight thousand dollars for fiscal year 2020 and  
2 eight hundred eight thousand dollars for fiscal year 2021 to the  
3 department of health for the administration of the marijuana  
4 authorization database; (~~and~~)

5 (h) (~~(\$635,000 [six hundred thirty-five thousand dollars])~~) Six  
6 hundred thirty-five thousand dollars for fiscal year 2020 and  
7 (~~(\$635,000 [six hundred thirty-five thousand dollars])~~) six hundred  
8 thirty-five thousand dollars for fiscal year 2021 to the department  
9 of agriculture for compliance-based laboratory analysis of pesticides  
10 in marijuana(~~(-)~~); and

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

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

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

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

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

37 (ii) In deciding which programs and practices to fund, the  
38 director of the health care authority must consult, at least  
39 annually, with the University of Washington's social development

1 research group and the University of Washington's alcohol and drug  
2 abuse institute.

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

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

8 (A) Creation, implementation, operation, and management of a  
9 marijuana education and public health program that contains the  
10 following:

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

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

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

25 (B) The Washington poison control center.

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

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

35 (ii) For each fiscal year, except for the 2017-2019 and 2019-2021  
36 fiscal biennia, the legislature must appropriate a minimum of one  
37 million twenty-one thousand dollars to the University of Washington.  
38 For each fiscal year, except for the 2017-2019 and 2019-2021 fiscal  
39 biennia, the legislature must appropriate a minimum of six hundred  
40 eighty-one thousand dollars to Washington State University under this

1 subsection (2)(c). It is the intent of the legislature that this  
2 policy will be continued in the 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 each fiscal year, the legislature must appropriate a  
15 minimum of five hundred eleven thousand dollars to the office of the  
16 superintendent of public instruction under this subsection (2)(f);  
17 and

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

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

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



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

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

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

14 (iv) The total share of marijuana excise tax revenues distributed  
15 to counties and cities in (g)(i) of this subsection (2) may not  
16 exceed fifteen million dollars in fiscal years 2018, 2019, 2020, and  
17 2021, and twenty million dollars per fiscal year thereafter. It is  
18 the intent of the legislature that the policy for the maximum  
19 distributions in the subsequent fiscal biennia will be no more than  
20 fifteen million dollars per fiscal year.

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

24 NEW SECTION. **Sec. 8.** The liquor and cannabis board must  
25 contract for an independent review of the social equity program  
26 established under sections 4 and 5 of this act and its impacts. The  
27 independent review must be completed and provided to the liquor and  
28 cannabis board, the governor, and the appropriate committees of the  
29 legislature by December 1, 2025.

30 NEW SECTION. **Sec. 9.** Section 2 of this act expires July 1,  
31 2024.

32 NEW SECTION. **Sec. 10.** Section 3 of this act takes effect July  
33 1, 2024.

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