
HOUSE BILL 2870

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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