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**SUBSTITUTE HOUSE BILL 1650**

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**State of Washington 68th Legislature 2024 Regular Session**

**By** House Regulated Substances & Gaming (originally sponsored by Representatives Wylie and Kloba)

AN ACT Relating to requiring voter approval for local government prohibitions on the operation and siting of cannabis retail businesses; amending RCW 69.50.540; adding new sections to chapter 69.50 RCW; adding a new section to chapter 36.01 RCW; adding a new section to chapter 35.21 RCW; and adding a new section to chapter 35A.21 RCW.

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

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

(1) Beginning July 1, 2028, a city, town, or county may prohibit the siting or operation of any business or facility to be used for the retail sale of cannabis products under this chapter only if:

(a) The city, town, or county initiates an ordinance by submitting a ballot proposition at a general election prohibiting the siting or operation of any business or facility to be used for the retail sale of cannabis under this chapter;

(b) A majority of the voters of the county, city, or town voting in the election approve the prohibition; and

(c) The election is held on a date after July 1, 2024.

(2) A prohibition takes effect on the date specified in the ballot proposition. If no effective date is specified in the ballot proposition, the prohibition takes effect on a date specified by the legislative authority that must be at least 30 days and no later than 60 days after the election.

(3) With respect to a county enacting an ordinance, the ordinance may apply only to unincorporated areas of the county. No voters within the boundaries of an incorporated city or town may participate in a county election under this section.

(4) Nothing in this section may be construed to extend powers to cities, towns, or counties beyond the power to prohibit the siting or operation of a business or facility to be used for the sale of cannabis.

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

(1) Except as provided in section 1 of this act and in subsections (2) through (4) of this section, the state of Washington has sole authority to regulate cannabis retailers licensed under this chapter and counties, cities, and towns are preempted from engaging in the regulation of cannabis retailers.

(2) Cities, towns, and counties retain their existing zoning authority regarding the siting of cannabis retailers.

(3)(a) Except as provided in section 1 of this act and in (b) of this subsection, counties, cities, and towns may not enact any ordinance, regulation, or land use plan that has the effect of precluding the siting or operation of cannabis retailers within their jurisdictional boundaries.

(b) A city, town, or county that prohibits the siting and operation of any retail business within its jurisdictional boundaries may enact an ordinance or regulation that precludes the siting and operation of state cannabis businesses.

(4) Nothing in this section may be construed to prevent a city, town, or county from applying ordinances of general application to cannabis businesses.

(5) Following the passage of an ordinance under section 1 of this act, the board may not issue a license under RCW 69.50.325(3) for the retail sale of cannabis with respect to a business that is either located or proposed to be located within an area subject to the ordinance.

(6)This section does not extend powers to cities, towns, or counties beyond the power to prohibit the siting or operation of a business or facility to be used for the sale of cannabis.

NEW SECTION. **Sec.**  A new section is added to chapter 36.01 RCW to read as follows:

A county may enact an ordinance prohibiting the siting or operation of any retail cannabis business or activity within its jurisdictional boundaries if the ordinance is enacted in accordance with the requirements of section 1 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 35.21 RCW to read as follows:

A city or town may enact an ordinance prohibiting the siting or operation of any retail cannabis business or activity within its jurisdictional boundaries if the ordinance is enacted in accordance with the requirements of section 1 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 35A.21 RCW to read as follows:

A code city may enact an ordinance prohibiting the siting or operation of any retail cannabis business or activity within its jurisdictional boundaries if the ordinance is enacted in accordance with the requirements of section 1 of this act.

**Sec.**  RCW 69.50.540 and 2023 c 470 s 1015 are each amended to read as follows:

(1) ((~~For~~)) Except as provided in subsection (4) of this section, for the purposes of this subsection (1), the legislature must appropriate the amounts provided in this subsection:

(a) $12,500,000 annually to the board for administration of this chapter as appropriated in the omnibus appropriations act;

(b) $11,000,000 annually to the department of health for the following:

(i) Creation, implementation, operation, and management of a cannabis, vapor product, and commercial tobacco education and public health program that contains the following:

(A) A cannabis use public health hotline that provides referrals to substance abuse treatment providers, uses evidence-based or research-based public health approaches to minimizing the harms associated with cannabis use, and does not solely advocate an abstinence-only approach;

(B) Programs that support development and implementation of coordinated intervention strategies for the prevention and reduction of commercial tobacco, vapor product, and cannabis use by youth and cannabis cessation treatment services, including grant programs to local health departments or other local community agencies;

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

(D) Outreach to priority populations regarding commercial tobacco, vapor product, and cannabis use, prevention, and cessation; and

(ii) The Washington poison control center;

(c)(i) $3,000,000 annually to the department of commerce to fund cannabis social equity grants under RCW 43.330.540; and

(ii) $200,000 annually to the department of commerce to fund technical assistance through a roster of mentors under RCW 43.330.540;

(d) $200,000 annually, until June 30, 2032, to the health care authority to contract with the Washington state institute for public policy to conduct the cost-benefit evaluations and produce the reports described in RCW 69.50.550;

(e) $25,000 annually to the University of Washington alcohol and drug abuse institute for the creation, maintenance, and timely updating of web-based public education materials providing medically and scientifically accurate information about the health and safety risks posed by cannabis use;

(f) $300,000 annually to the University of Washington and $175,000 annually to the Washington State University for research on the short-term and long-term effects of cannabis use to include, but not be limited to, formal and informal methods for estimating and measuring intoxication and impairments, and for the dissemination of such research;

(g) $550,000 annually to the office of the superintendent of public instruction to fund grants to building bridges programs under chapter 28A.175 RCW;

(h) $2,423,000 for fiscal year 2022 and $2,423,000 for fiscal year 2023 to the Washington state patrol for a drug enforcement task force;

(i) $270,000 for fiscal year 2022 and $290,000 for fiscal year 2023 to the department of ecology for implementation of accreditation of cannabis product testing laboratories;

(j) $800,000 for each of fiscal years 2020 through 2023 to the department of health for the administration of the cannabis authorization database; and

(k) $621,000 for fiscal year 2022 and $635,000 for fiscal year 2023 to the department of agriculture for compliance-based laboratory analysis of pesticides in cannabis.

(2) ((~~Subsections [Subsection]~~)) Subsection (1)(a) through (g) of this section must be adjusted annually based on the United States bureau of labor statistics' consumer price index for the Seattle area.

(3) After appropriation of the amounts identified in subsection (1) of this section, the legislature must annually appropriate such remaining amounts for the purposes listed in this subsection (3) as follows:

(a) ((~~Fifty-two~~)) 52 percent to the state basic health plan trust account to be administered by the Washington basic health plan administrator and used as provided under chapter 70.47 RCW;

(b) ((~~Eleven~~)) 11 percent to the health care authority to:

(i) Design and administer the Washington state healthy youth survey, analyze the collected data, and produce reports, in collaboration with the office of the superintendent of public instruction, department of health, department of commerce, family policy council, and board. The survey must be conducted at least every two years and include questions regarding, but not necessarily limited to, academic achievement, age at time of substance use initiation, antisocial behavior of friends, attitudes toward antisocial behavior, attitudes toward substance use, laws and community norms regarding antisocial behavior, family conflict, family management, parental attitudes toward substance use, peer rewarding of antisocial behavior, perceived risk of substance use, and rebelliousness. Funds disbursed under this subsection may be used to expand administration of the healthy youth survey to student populations attending institutions of higher education in Washington;

(ii) Develop, implement, maintain, and evaluate programs and practices aimed at the prevention or reduction of maladaptive substance use, substance use disorder, substance abuse or substance dependence, as these terms are defined in the diagnostic and statistical manual of mental disorders, among middle school and high school-age students, whether as an explicit goal of a given program or practice or as a consistently corresponding effect of its implementation, mental health services for children and youth, and services for pregnant and parenting women. In deciding which programs and practices to fund under this subsection (3)(b)(ii), the director of the health care authority must consult, at least annually, with the University of Washington's social development research group and the University of Washington's alcohol and drug abuse institute; and

(iii) Contract with community health centers to provide primary health and dental care services, migrant health services, and maternity health care services as provided under RCW 41.05.220;

(c)(i) One and one-half percent to counties, cities, and towns where licensed cannabis retailers are physically located. Each jurisdiction must receive a share of the revenue distribution under this subsection (3)(c)(i) based on the proportional share of the total revenues generated in the individual jurisdiction from the taxes collected under RCW 69.50.535, from licensed cannabis retailers physically located in each jurisdiction. For purposes of this subsection (3)(c), 100 percent of the proportional amount attributed to a retailer physically located in a city or town must be distributed to the city or town;

(ii) Three and one-half percent to counties, cities, and towns ratably on a per capita basis. Counties must receive 60 percent of the distribution based on each county's total proportional population. Funds may only be distributed to jurisdictions that do not prohibit the siting of any state licensed cannabis producer, processor, or retailer;

(iii) By September 15th of each year, the board must provide the state treasurer the annual distribution amount made under this subsection (3)(c), if any, for each county and city as determined in (c)(i) and (ii) of this subsection; and

(iv) Distribution amounts allocated to each county, city, and town in (c)(i) and (ii) of this subsection must be distributed in four installments by the last day of each fiscal quarter; and

(d) ((~~Thirty-two~~)) 32 percent must be deposited in the state general fund.

(4) Until July 1, 2033, an amount equivalent to the total cannabis excise taxes generated by retail outlets in cities, towns, and counties that, on the effective date of this section, have a ban or moratorium on the operation or siting of cannabis retailers and have no cannabis retailers operating in their jurisdiction, and that, after the effective date of this section, authorize cannabis retail activity in accordance with section 1 of this act, must be disbursed annually as follows:

(a) 50 percent of funds must be used to support substance abuse disorder prevention treatment services including development of best practices for programs and services; and

(b) 50 percent of funds must be used for cannabis research including research conducted by the University of Washington and Washington State University under subsection (1)(f) of this section.

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