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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

AN ACT Relating to allowing additional marijuana retail licenses for social equity purposes; amending RCW 69.50.345 and 69.50.540; reenacting and amending RCW 69.50.345; adding new sections to chapter 69.50 RCW; adding a new section to chapter 43.330 RCW; creating new sections; providing an effective date; and providing an expiration date.

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

NEW SECTION. **Sec.**  (1) The legislature finds that the history of marijuana prohibition enforcement has created disproportionate impacts, with the greatest harm falling upon communities of color. For example, national data indicate that while African Americans and white Americans have similar marijuana usage rates, African Americans have been arrested at four times the rate of white Americans. Data for Washington state also show disproportionate impacts across racial and ethnic lines from marijuana prohibition enforcement. As a further example, Latino and Native American Washingtonians were arrested for marijuana possession 1.6 times more often than white residents between 2000 and 2010. Even after Washington voters legalized marijuana possession and use for adults, disproportionate impacts continued, with arrests of African Americans in Washington for possession remaining more than twice the arrest rate for white residents, according to Washington State University research.

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

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

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

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

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

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

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

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

(a) Population distribution;

(b) Security and safety issues;

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

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

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

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

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

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

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

(a) Security and safety issues;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Population distribution;

(b) Security and safety issues;

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

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

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

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

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

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

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

(a) Security and safety issues;

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

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

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

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

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

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

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

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

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

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

(11) In consultation with the department and the department of agriculture, prescribing methods of producing, processing, and packaging marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products; conditions of sanitation; and standards of ingredients, quality, and identity of marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products produced, processed, packaged, or sold by licensees;

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

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

(1) Until July 1, 2026, a city, town, or county may submit a request to the board to issue additional marijuana retailer licenses within its jurisdiction.

(2) In order to be considered for a retail license under subsection (1) of this section, applicants must:

(a) Submit a social equity plan along with other board marijuana retailer license requirements to the city, town, or county;

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

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

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

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

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

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

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

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

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

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

(5) For the purposes of this section:

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

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

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

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

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

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

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

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

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

(1) Until July 1, 2026, marijuana retailer licenses that have been subject to forfeiture, revocation, or cancellation by the board, or marijuana retailer licenses that were not previously issued by the board but could have been issued without exceeding the limit on the statewide number of marijuana retailer licenses established in rule by the board, may be issued or reissued to an applicant who meets the marijuana retailer license requirements of this chapter. Applicants must, along with their application, submit a social equity plan as provided in section 4 of this act that is approved by the board as meeting social equity goals as provided in section 4 of this act.

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

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

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

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

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

(a) Assistance navigating the marijuana retailer licensure process;

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

(c) Regulatory compliance training;

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

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

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

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

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

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

**Sec.**  RCW 69.50.540 and 2019 c 415 s 978 are each amended to read as follows:

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

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

(a) One hundred twenty-five thousand dollars to the health care authority to 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 ((~~state liquor and cannabis~~)) 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;

(b) Fifty thousand dollars to the health care authority for the purpose of contracting with the Washington state institute for public policy to conduct the cost-benefit evaluation and produce the reports described in RCW 69.50.550. This appropriation ends after production of the final report required by RCW 69.50.550;

(c) Five thousand dollars 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 marijuana use;

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

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

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

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

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

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

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

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

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

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

(a)(i) Up to fifteen percent to the health care authority for the development, implementation, maintenance, and evaluation of 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; PROVIDED, That:

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

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

(ii) In deciding which programs and practices to fund, 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.

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

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

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

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

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

(III) 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 marijuana use; and

(B) The Washington poison control center.

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

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

(ii) For each fiscal year, except for the 2017-2019 and 2019-2021 fiscal biennia, the legislature must appropriate a minimum of one million twenty-one thousand dollars to the University of Washington. For each fiscal year, except for the 2017-2019 and 2019-2021 fiscal biennia, the legislature must appropriate a minimum of six hundred eighty-one thousand dollars to Washington State University under this subsection (2)(c). It is the intent of the legislature that this policy will be continued in the 2019-2021 fiscal biennium;

(d) Fifty 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;

(e) Five percent to the Washington state health care authority to be expended exclusively through contracts 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;

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

(ii) For each fiscal year, the legislature must appropriate a minimum of five hundred eleven thousand dollars to the office of the superintendent of public instruction under this subsection (2)(f); and

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

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

(A) Thirty percent must be distributed to counties, cities, and towns where licensed marijuana retailers are physically located. Each jurisdiction must receive a share of the revenue distribution under this subsection (2)(g)(i)(A) 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 marijuana retailers physically located in each jurisdiction. For purposes of this subsection (2)(g)(i)(A), one hundred percent of the proportional amount attributed to a retailer physically located in a city or town must be distributed to the city or town.

(B) Seventy percent must be distributed to counties, cities, and towns ratably on a per capita basis. Counties must receive sixty percent of the distribution, which must be disbursed 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 marijuana producer, processor, or retailer.

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

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

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

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

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

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

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

**--- END ---**