

**E2SSB 5796** - H AMD TO APP COMM AMD (TOUL 247) **1320**

By Representative Sullivan

**OUT OF ORDER 03/04/2022**

1 On page 1, beginning on line 4, strike all material through  
2 "revenues." on line 16 and insert the following:

3 **"Sec. 1.** RCW 69.50.530 and 2018 c 299 s 909 are each amended to  
4 read as follows:

5 The dedicated (~~marijuana~~) cannabis account is created in the  
6 state treasury. All moneys received by the (~~state liquor and~~  
7 ~~cannabis~~) board, or any employee thereof, from marijuana-related  
8 activities must be deposited in the account. Unless otherwise  
9 provided in chapter 4, Laws of 2015 2nd sp. sess., all marijuana  
10 excise taxes collected from sales of marijuana, useable marijuana,  
11 marijuana concentrates, and marijuana-infused products under RCW  
12 69.50.535, and the license fees, penalties, and forfeitures derived  
13 under this chapter from marijuana producer, marijuana processor,  
14 marijuana researcher, and marijuana retailer licenses, must be  
15 deposited in the account. Moneys in the account may only be spent  
16 after appropriation. (~~During the 2015-2017 and 2017-2019 fiscal~~  
17 ~~biennia, the legislature may transfer from the dedicated marijuana~~  
18 ~~account to the basic health plan trust account such amounts as~~  
19 ~~reflect the excess fund balance of the account.))~~

20 **Sec. 2.** RCW 69.50.540 and 2021 c 334 s 986 are each amended to  
21 read as follows:

22 (~~The legislature must annually appropriate moneys in the~~  
23 ~~dedicated marijuana account created in RCW 69.50.530 as follows:))~~

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

28 (a) (~~One hundred twenty-five thousand dollars to the health care~~  
29 ~~authority to design and administer the Washington state healthy youth~~  
30 ~~survey, analyze the collected data, and produce reports, in~~  
31 ~~collaboration with the office of the superintendent of public~~

1 instruction, department of health, department of commerce, family  
2 policy council, and board. The survey must be conducted at least  
3 every two years and include questions regarding, but not necessarily  
4 limited to, academic achievement, age at time of substance use  
5 initiation, antisocial behavior of friends, attitudes toward  
6 antisocial behavior, attitudes toward substance use, laws and  
7 community norms regarding antisocial behavior, family conflict,  
8 family management, parental attitudes toward substance use, peer  
9 rewarding of antisocial behavior, perceived risk of substance use,  
10 and rebelliousness. Funds disbursed under this subsection may be used  
11 to expand administration of the healthy youth survey to student  
12 populations attending institutions of higher education in Washington;

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

18 (c) Five thousand dollars to the University of Washington alcohol  
19 and drug abuse institute for the creation, maintenance, and timely  
20 updating of web-based public education materials providing medically  
21 and scientifically accurate information about the health and safety  
22 risks posed by marijuana use;

23 (d) (i) An amount not less than one million two hundred fifty  
24 thousand dollars to the board for administration of this chapter as  
25 appropriated in the omnibus appropriations act;

26 (ii) One million three hundred twenty-three thousand dollars for  
27 fiscal year 2020 to the health professions account established under  
28 RCW 43.70.320 for the development and administration of the marijuana  
29 authorization database by the department of health;

30 (iii) Two million four hundred fifty-three thousand dollars for  
31 fiscal year 2020 and two million four hundred twenty-three thousand  
32 dollars for fiscal years 2021, 2022, and 2023 to the Washington state  
33 patrol for a drug enforcement task force. It is the intent of the  
34 legislature that this policy will be continued in the 2021-2023  
35 fiscal biennium; and

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

39 (e) Four hundred sixty-five thousand dollars for fiscal year  
40 2020, four hundred sixty-four thousand dollars for fiscal year 2021,

1 ~~two hundred seventy thousand dollars in fiscal year 2022, and two~~  
2 ~~hundred seventy-six thousand dollars in fiscal year 2023 to the~~  
3 ~~department of ecology for implementation of accreditation of~~  
4 ~~marijuana product testing laboratories;~~

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

8 ~~(g) Eight hundred eight thousand dollars for each of fiscal years~~  
9 ~~2020 through 2023 to the department of health for the administration~~  
10 ~~of the marijuana authorization database;~~

11 ~~(h) Six hundred thirty-five thousand dollars for fiscal year~~  
12 ~~2020, six hundred thirty-five thousand dollars for fiscal year 2021,~~  
13 ~~six hundred twenty-one thousand dollars for fiscal year 2022, and six~~  
14 ~~hundred twenty-seven thousand dollars for fiscal year 2023 to the~~  
15 ~~department of agriculture for compliance-based laboratory analysis of~~  
16 ~~pesticides in marijuana;~~

17 ~~(i) One million six hundred fifty thousand dollars for fiscal~~  
18 ~~year 2022 and one million six hundred fifty thousand dollars for~~  
19 ~~fiscal year 2023 to the department of commerce to fund the marijuana~~  
20 ~~social equity technical assistance competitive grant program under~~  
21 ~~RCW 43.330.540; and~~

22 ~~(j) One hundred sixty-three thousand dollars for fiscal year 2022~~  
23 ~~and one hundred fifty-nine thousand dollars for fiscal year 2023 to~~  
24 ~~the department of commerce to establish a roster of mentors as part~~  
25 ~~of the cannabis social equity technical assistance grant program~~  
26 ~~under Engrossed Substitute House Bill No. 1443 (cannabis industry/~~  
27 ~~equity) [chapter 169, Laws of 2021]; and~~

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

32 ~~(a) (i) Up to fifteen percent to the health care authority for the~~  
33 ~~development, implementation, maintenance, and evaluation of programs~~  
34 ~~and practices aimed at the prevention or reduction of maladaptive~~  
35 ~~substance use, substance use disorder, substance abuse or substance~~  
36 ~~dependence, as these terms are defined in the Diagnostic and~~  
37 ~~Statistical Manual of Mental Disorders, among middle school and high~~  
38 ~~school-age students, whether as an explicit goal of a given program~~  
39 ~~or practice or as a consistently corresponding effect of its~~

1 ~~implementation, mental health services for children and youth, and~~  
2 ~~services for pregnant and parenting women; PROVIDED, That:~~

3 ~~(A) Of the funds appropriated under (a) (i) of this subsection for~~  
4 ~~new programs and new services, at least eighty-five percent must be~~  
5 ~~directed to evidence-based or research-based programs and practices~~  
6 ~~that produce objectively measurable results and, by September 1,~~  
7 ~~2020, are cost-beneficial; and~~

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

12 ~~(ii) In deciding which programs and practices to fund, the~~  
13 ~~director of the health care authority must consult, at least~~  
14 ~~annually, with the University of Washington's social development~~  
15 ~~research group and the University of Washington's alcohol and drug~~  
16 ~~abuse institute.~~

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

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

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

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

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

34 ~~(III) Media-based education campaigns across television,~~  
35 ~~internet, radio, print, and out-of-home advertising, separately~~  
36 ~~targeting youth and adults, that provide medically and scientifically~~  
37 ~~accurate information about the health and safety risks posed by~~  
38 ~~marijuana use; and~~

39 ~~(B) The Washington poison control center.~~

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

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

10 ~~(ii) For each fiscal year, except for the 2019-2021 and 2021-2023~~  
11 ~~fiscal biennia, the legislature must appropriate a minimum of one~~  
12 ~~million twenty-one thousand dollars to the University of Washington.~~  
13 ~~For each fiscal year, except for the 2019-2021 and 2021-2023 fiscal~~  
14 ~~biennia, the legislature must appropriate a minimum of six hundred~~  
15 ~~eighty-one thousand dollars to Washington State University under this~~  
16 ~~subsection (2) (c). It is the intent of the legislature that this~~  
17 ~~policy will be continued in the 2023-2025 fiscal biennium;~~

18 ~~(d) Fifty percent to the state basic health plan trust account to~~  
19 ~~be administered by the Washington basic health plan administrator and~~  
20 ~~used as provided under chapter 70.47 RCW;~~

21 ~~(e) Five percent to the Washington state health care authority to~~  
22 ~~be expended exclusively through contracts with community health~~  
23 ~~centers to provide primary health and dental care services, migrant~~  
24 ~~health services, and maternity health care services as provided under~~  
25 ~~RCW 41.05.220;~~

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

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

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

38 ~~(i) Beginning in fiscal year 2018, if marijuana excise tax~~  
39 ~~collections deposited into the general fund in the prior fiscal year~~  
40 ~~exceed twenty-five million dollars, then each fiscal year the~~

1 legislature must appropriate an amount equal to thirty percent of all  
2 marijuana excise taxes deposited into the general fund the prior  
3 fiscal year to the treasurer for distribution to counties, cities,  
4 and towns as follows:

5 (A) Thirty percent must be distributed to counties, cities, and  
6 towns where licensed marijuana retailers are physically located. Each  
7 jurisdiction must receive a share of the revenue distribution under  
8 this subsection (2) (g) (i) (A) based on the proportional share of the  
9 total revenues generated in the individual jurisdiction from the  
10 taxes collected under RCW 69.50.535, from licensed marijuana  
11 retailers physically located in each jurisdiction. For purposes of  
12 this subsection (2) (g) (i) (A), one hundred percent of the proportional  
13 amount attributed to a retailer physically located in a city or town  
14 must be distributed to the city or town.

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

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

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

27 (iv) The total share of marijuana excise tax revenues distributed  
28 to counties and cities in (g) (i) of this subsection (2) may not  
29 exceed fifteen million dollars in fiscal years 2018, 2019, 2020, and  
30 2021, and twenty million dollars per fiscal year thereafter))  
31 \$12,500,000 annually to the board for administration of this chapter  
32 as appropriated in the omnibus appropriations act;

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

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

38 (A) A marijuana use public health hotline that provides referrals  
39 to substance abuse treatment providers, uses evidence-based or  
40 research-based public health approaches to minimizing the harms

1 associated with marijuana use, and does not solely advocate an  
2 abstinence-only approach;

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

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

13 (D) Outreach to priority populations regarding commercial  
14 tobacco, vapor product, and marijuana use, prevention, and cessation;  
15 and

16 (ii) The Washington poison control center;

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

19 (ii) \$200,000 annually to the department of commerce to fund  
20 technical assistance through a roster of mentors under RCW  
21 43.330.540;

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

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

31 (f) \$300,000 annually to the University of Washington and  
32 \$175,000 annually to the Washington State University for research on  
33 the short-term and long-term effects of marijuana use to include, but  
34 not be limited to, formal and informal methods for estimating and  
35 measuring intoxication and impairments, and for the dissemination of  
36 such research;

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

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

4 (i) \$270,000 for fiscal year 2022 and \$290,000 for fiscal year  
5 2023 to the department of ecology for implementation of accreditation  
6 of marijuana product testing laboratories;

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

10 (k) \$621,000 for fiscal year 2022 and \$635,000 for fiscal year  
11 2023 to the department of agriculture for compliance-based laboratory  
12 analysis of pesticides in marijuana.

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

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

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

23 (b) Eleven percent to the health care authority to:

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

39 (ii) Develop, implement, maintain, and evaluate programs and  
40 practices aimed at the prevention or reduction of maladaptive

1 substance use, substance use disorder, substance abuse or substance  
2 dependence, as these terms are defined in the diagnostic and  
3 statistical manual of mental disorders, among middle school and high  
4 school-age students, whether as an explicit goal of a given program  
5 or practice or as a consistently corresponding effect of its  
6 implementation, mental health services for children and youth, and  
7 services for pregnant and parenting women. In deciding which programs  
8 and practices to fund under this subsection (3)(b)(ii), the director  
9 of the health care authority must consult, at least annually, with  
10 the University of Washington's social development research group and  
11 the University of Washington's alcohol and drug abuse institute; and  
12 (iii) Contract with community health centers to provide primary  
13 health and dental care services, migrant health services, and  
14 maternity health care services as provided under RCW 41.05.220;  
15 (c)(i) One and one-half percent to counties, cities, and towns  
16 where licensed marijuana retailers are physically located. Each  
17 jurisdiction must receive a share of the revenue distribution under  
18 this subsection (3)(c)(i) based on the proportional share of the  
19 total revenues generated in the individual jurisdiction from the  
20 taxes collected under RCW 69.50.535, from licensed marijuana  
21 retailers physically located in each jurisdiction. For purposes of  
22 this subsection (3)(c), 100 percent of the proportional amount  
23 attributed to a retailer physically located in a city or town must be  
24 distributed to the city or town;  
25 (ii) Three and one-half percent to counties, cities, and towns  
26 ratably on a per capita basis. Counties must receive 60 percent of  
27 the distribution based on each county's total proportional  
28 population. Funds may only be distributed to jurisdictions that do  
29 not prohibit the siting of any state licensed marijuana producer,  
30 processor, or retailer;  
31 (iii) By September 15th of each year, the board must provide the  
32 state treasurer the annual distribution amount made under this  
33 subsection (3)(c), if any, for each county and city as determined in  
34 (c)(i) and (ii) of this subsection; and  
35 (iv) Distribution amounts allocated to each county, city, and  
36 town in (c)(i) and (ii) of this subsection must be distributed in  
37 four installments by the last day of each fiscal quarter; and  
38 (d) Thirty-two percent must be deposited in the state general  
39 fund.

1        NEW SECTION.    **Sec. 3.**    The joint legislative audit and review  
2 committee shall conduct a review of the appropriation and expenditure  
3 of cannabis revenues pursuant to RCW 69.50.540 and report to the  
4 appropriate legislative committees by December 1, 2023. The report  
5 shall include an examination on the appropriation and expenditure of  
6 these funds to evaluate: How these funds have been appropriated and  
7 expended; whether the appropriations and expenditures are consistent  
8 with the provisions of RCW 69.50.540; and whether information related  
9 to the appropriations and expenditures is readily available to the  
10 general public. The report shall include options for increasing the  
11 transparency and accountability related to the appropriation and  
12 expenditure of cannabis-related revenues."

13        Correct the title.

EFFECT: Moves the due date of a proposed Joint Legislative Audit and Review Committee report in the striking amendment adopted by the House Appropriations Committee from July 1, 2023, to December 1, 2023. Adds back all the provisions of E2SHB 5796 regarding changing the Dedicated Marijuana Account to the Dedicated Cannabis Account and restructuring and changing appropriations, with the following exceptions:

(1) Removes a proposed reference to loans in the context of funding for a cannabis social equity grant program administered by the Department of Commerce;

(2) Directs \$200,000 annually instead of a proposed \$250,000 annually, until June 30, 2032, to the Health Care Authority to contract with the Washington State Institute for Public Policy to conduct cost-benefit evaluations and produce reports;

(3) Directs \$2,423,000 for fiscal year 2023, instead of a proposed \$2,793,000 for fiscal year 2023, to the Washington State Patrol for a drug enforcement task force;

(4) Directs \$290,000 for fiscal year 2023, instead of a proposed \$464,000 for fiscal year 2023, to the Department of Ecology for implementation of accreditation of cannabis product testing laboratories;

(5) Directs 52 percent instead of 50 percent of secondary appropriations annually to the State Basic Health Plan Trust Account;

(6) Directs 11 percent instead of 10 percent of secondary appropriations annually to the Health Care Authority for purposes including designing and administering the Healthy Youth Survey, developing substance use disorder prevention programs among middle and high school-age students, and contracting with community health centers to provide primary health and dental care services, migrant health services, and maternity health care services; and

(7) Directs 32 percent instead of 35 percent of secondary appropriations annually to the State General Fund.

--- END ---