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**SUBSTITUTE SENATE BILL 5796**

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**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** Senate Labor, Commerce & Tribal Affairs (originally sponsored by Senators Saldaña, Stanford, Keiser, Llias, and C. Wilson)

READ FIRST TIME 01/27/22.

1 AN ACT Relating to restructuring cannabis revenue appropriations  
2 to provide transparency and accountability and to increase community  
3 infrastructure and investment; amending RCW 69.50.530 and 69.50.540;  
4 and adding a new section to chapter 43.79 RCW.

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

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

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

1 ~~account to the basic health plan trust account such amounts as~~  
2 ~~reflect the excess fund balance of the account.)~~)

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

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

7 (1) (a) For the purposes ~~((listed in))~~ of this subsection (1), the  
8 legislature must appropriate ~~((to the respective agencies amounts~~  
9 ~~sufficient to make the following expenditures))~~ 19 percent of all  
10 money in the dedicated cannabis account created in RCW 69.50.530 on a  
11 quarterly basis or as ~~((provided in this subsection:~~

12 ~~(a) One hundred twenty-five thousand dollars to the health care~~  
13 ~~authority to design and administer the Washington state healthy youth~~  
14 ~~survey, analyze the collected data, and produce reports, in~~  
15 ~~collaboration with the office of the superintendent of public~~  
16 ~~instruction, department of health, department of commerce, family~~  
17 ~~policy council, and board. The survey must be conducted at least~~  
18 ~~every two years and include questions regarding, but not necessarily~~  
19 ~~limited to, academic achievement, age at time of substance use~~  
20 ~~initiation, antisocial behavior of friends, attitudes toward~~  
21 ~~antisocial behavior, attitudes toward substance use, laws and~~  
22 ~~community norms regarding antisocial behavior, family conflict,~~  
23 ~~family management, parental attitudes toward substance use, peer~~  
24 ~~rewarding of antisocial behavior, perceived risk of substance use,~~  
25 ~~and rebelliousness. Funds disbursed under this subsection may be used~~  
26 ~~to expand administration of the healthy youth survey to student~~  
27 ~~populations attending institutions of higher education in Washington;~~

28 ~~(b) Fifty thousand dollars)~~ follows:

29 (i) \$12,148,000 to the board for administration of this chapter  
30 as appropriated in the omnibus appropriations act;

31 (ii) Until June 30, 2032, \$200,000 to the health care authority  
32 for the purpose of contracting with the Washington state institute  
33 for public policy to conduct the cost-benefit evaluation and produce  
34 the reports described in RCW 69.50.550. This appropriation ends after  
35 production of the final report required by RCW 69.50.550;

36 ~~((c) Five thousand dollars to the University of Washington~~  
37 ~~alcohol and drug abuse institute for the creation, maintenance, and~~  
38 ~~timely updating of web-based public education materials providing~~

1 medically and scientifically accurate information about the health  
2 and safety risks posed by marijuana use;

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

6 ~~(ii) One million three hundred twenty-three thousand dollars for  
7 fiscal year 2020 to the health professions account established under  
8 RCW 43.70.320 for the development and administration of the marijuana  
9 authorization database by the department of health;~~

10 ~~(iii) Two million four hundred fifty-three thousand dollars for  
11 fiscal year 2020 and two million four hundred twenty-three thousand  
12 dollars for fiscal years 2021, 2022, and 2023 to the Washington state  
13 patrol for a drug enforcement task force. It is the intent of the  
14 legislature that this policy will be continued in the 2021-2023  
15 fiscal biennium; and~~

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

19 ~~(e) Four hundred sixty-five thousand dollars for fiscal year  
20 2020, four hundred sixty-four thousand dollars for fiscal year 2021,  
21 two hundred seventy thousand dollars in fiscal year 2022, and two  
22 hundred seventy-six thousand dollars in)) (iii) \$2,423,000 for fiscal  
23 year 2022 and \$2,793,000 for fiscal year 2023 to the Washington state  
24 patrol for a drug enforcement task force;~~

25 (iv) \$270,000 for fiscal year 2022 and \$464,000 for fiscal year  
26 2023 to the department of ecology for implementation of accreditation  
27 of marijuana product testing laboratories;

28 ~~((f) One hundred eighty-nine thousand dollars for fiscal year  
29 2020 to the department of health for rule making regarding  
30 compassionate care renewals;~~

31 ~~(g) Eight hundred eight thousand dollars)) (v) \$800,000 for each  
32 of fiscal years 2020 through 2023 to the department of health for the  
33 administration of the marijuana authorization database; and~~

34 ~~((h) Six hundred thirty-five thousand dollars for fiscal year  
35 2020, six hundred thirty-five thousand dollars for fiscal year 2021,  
36 six hundred twenty-one thousand dollars for fiscal year 2022, and six  
37 hundred twenty-seven thousand dollars)) (vi) \$621,000 for fiscal year  
38 2022 and \$635,000 for fiscal year 2023 to the department of  
39 agriculture for compliance-based laboratory analysis of pesticides in  
40 marijuana ((÷~~

1 ~~(i) One million six hundred fifty thousand dollars for fiscal~~  
2 ~~year 2022 and one million six hundred fifty thousand dollars for~~  
3 ~~fiscal year 2023 to the department of commerce to fund the marijuana~~  
4 ~~social equity technical assistance competitive grant program under~~  
5 ~~RCW 43.330.540; and~~

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

12 (b) Any amounts remaining after the distributions made under (a)  
13 of this subsection must be distributed as follows:

14 (i) \$27,800,000 to counties, cities, and towns as follows:

15 (A) Thirty percent must be distributed to counties, cities, and  
16 towns where licensed marijuana retailers are physically located. Each  
17 jurisdiction must receive a share of the revenue distribution under  
18 this subsection (1)(b)(i)(A) 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 (1)(b)(i)(A), 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; and

25 (B) Seventy percent must be distributed to counties, cities, and  
26 towns ratably on a per capita basis. Counties must receive 60 percent  
27 of the distribution, which must be disbursed based on each county's  
28 total proportional population. Funds may only be distributed to  
29 jurisdictions that do not prohibit the siting of any state licensed  
30 marijuana producer, processor, or retailer; and

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

34 (c) By September 15th of each year, the board must provide the  
35 state treasurer the annual distribution amount made under (b) of this  
36 subsection, if any, for each county and city as determined in (b)(i)  
37 of this subsection.

38 (d) Any amounts remaining after the distributions made under (b)  
39 of this subsection must be deposited in the state general fund.

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

5 (a) (~~((i) Up to fifteen percent to the health care authority for~~  
6 ~~the development, implementation, maintenance, and evaluation of))~~  
7 Fifty-seven and one-half percent to the state basic health plan trust  
8 account to be administered by the Washington basic health plan  
9 administrator and used as provided under chapter 70.47 RCW; and

10 (b) Any remaining amounts under this subsection (2) must be  
11 distributed as follows:

12 (i) \$49,246,000 to the health care authority for the following:

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

28 (B) Develop, implement, maintain, and evaluate programs and  
29 practices aimed at the prevention or reduction of maladaptive  
30 substance use, substance use disorder, substance abuse or substance  
31 dependence, as these terms are defined in the Diagnostic and  
32 Statistical Manual of Mental Disorders, among middle school and high  
33 school-age students, whether as an explicit goal of a given program  
34 or practice or as a consistently corresponding effect of its  
35 implementation, mental health services for children and youth, and  
36 services for pregnant and parenting women (~~(; PROVIDED, That:~~

37 (A) ~~Of the funds appropriated under (a) (i) of this subsection for~~  
38 ~~new programs and new services, at least eighty-five percent must be~~  
39 ~~directed to evidence-based or research-based programs and practices~~

1 ~~that produce objectively measurable results and, by September 1,~~  
2 ~~2020, are cost-beneficial; and~~

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

7 ~~(ii))~~. In deciding which programs and practices to fund under  
8 this subsection (2) (b) (i) (B), the director of the health care  
9 authority must consult, at least annually, with the University of  
10 Washington's social development research group and the University of  
11 Washington's alcohol and drug abuse institute((~~-~~

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

15 ~~(b) (i) Up to ten percent))~~; and

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

19 (ii) \$12,000,000 to the department of health for the following((~~-~~  
20 ~~subject to (b) (ii) of this subsection (2))~~):

21 (A) Creation, implementation, operation, and management of a  
22 marijuana, vapor product, and commercial tobacco education and public  
23 health program that contains the following:

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

29 (II) ((~~A grants program for local health departments or other~~  
30 ~~local community agencies that supports development and implementation~~  
31 ~~of coordinated intervention strategies for the prevention and~~  
32 ~~reduction of marijuana use by youth; and~~) Programs that support  
33 development and implementation of coordinated intervention strategies  
34 for the prevention and reduction of commercial tobacco, vapor  
35 product, and marijuana use by youth and marijuana cessation treatment  
36 services, including grant programs to local health departments or  
37 other local community agencies;

38 (III) Media-based education campaigns across television,  
39 internet, radio, print, and out-of-home advertising, separately  
40 targeting youth and adults, that provide medically and scientifically

1 accurate information about the health and safety risks posed by  
2 marijuana use; and

3 (IV) Outreach to priority populations regarding commercial  
4 tobacco, vapor product, and marijuana use, prevention, and cessation;  
5 and

6 (B) The Washington poison control center (~~(-~~

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

10 ~~(c) (i) Up to six-tenths of one percent);~~

11 (iii) \$20,000 to the University of Washington alcohol and drug  
12 abuse institute for the creation, maintenance, and timely updating of  
13 web-based public education materials providing medically and  
14 scientifically accurate information about the health and safety risks  
15 posed by marijuana use;

16 (iv) \$378,000 to the University of Washington and ((four-tenths  
17 of one percent to)) \$207,000 to the Washington State University for  
18 research on the short and long-term effects of marijuana use, to  
19 include but not be limited to formal and informal methods for  
20 estimating and measuring intoxication and impairment, and for the  
21 dissemination of such research ((-

22 ~~(ii) For each fiscal year, except for the 2019-2021 and 2021-2023~~  
23 ~~fiscal biennia, the legislature must appropriate a minimum of one~~  
24 ~~million twenty-one thousand dollars to the University of Washington.~~  
25 ~~For each fiscal year, except for the 2019-2021 and 2021-2023 fiscal~~  
26 ~~biennia, the legislature must appropriate a minimum of six hundred~~  
27 ~~eighty-one thousand dollars to Washington State University under this~~  
28 ~~subsection (2) (c). It is the intent of the legislature that this~~  
29 ~~policy will be continued in the 2023-2025 fiscal biennium;~~

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

33 ~~(e) Five percent to the Washington state health care authority to~~  
34 ~~be expended exclusively through contracts with community health~~  
35 ~~centers to provide primary health and dental care services, migrant~~  
36 ~~health services, and maternity health care services as provided under~~  
37 ~~RCW 41.05.220;~~

38 ~~(f) (i) Up to three-tenths of one percent);~~

1 (v) \$530,000 to the office of the superintendent of public  
2 instruction to fund grants to building bridges programs under chapter  
3 28A.175 RCW(~~(-~~

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

8 ~~(g))~~;

9 (vi) \$2,000,000 to the department of commerce to fund the  
10 cannabis social equity technical assistance grant program under RCW  
11 43.330.540;

12 (vii) \$200,000 to the department of commerce to fund any roster  
13 of mentors for the cannabis social equity technical assistance grant  
14 program under RCW 43.330.540; and

15 (viii) \$1,000,000 to the department of commerce to administer low  
16 interest loans to cannabis social equity applicant licensees under  
17 RCW 69.50.335.

18 (3) At the end of each fiscal year, the treasurer must transfer  
19 any amounts in the dedicated ((marijuana)) cannabis account that are  
20 not appropriated pursuant to subsection (1) or (2) of this section  
21 ((and this subsection (2) into the general fund, except as provided  
22 in (g) (i) of 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 board must provide the~~  
11 ~~state treasurer the annual distribution amount, if any, for each~~  
12 ~~county and city as determined in (g) (i) of this subsection (2).~~

13 ~~(iv) The total share of marijuana excise tax revenues distributed~~  
14 ~~to counties and cities in (g) (i) of this subsection (2) may not~~  
15 ~~exceed fifteen million dollars in fiscal years 2018, 2019, 2020, and~~  
16 ~~2021, and twenty million dollars per fiscal year thereafter)) into~~  
17 ~~the community reinvestment account created in section 3 of this act~~  
18 ~~and appropriated to the department of commerce for the purposes~~  
19 ~~listed in section 3 of this act. The distribution of the grants must~~  
20 ~~be done in collaboration with "by and for community organizations" as~~  
21 ~~defined by the department of commerce and the office of equity.~~

22 NEW SECTION. Sec. 3. A new section is added to chapter 43.79  
23 RCW to read as follows:

24 (1) The community reinvestment account is created in the state  
25 treasury. Money from the distribution required in RCW 69.50.540 must  
26 be deposited into the account. Moneys in the account may be spent  
27 only after appropriation.

28 (2) Expenditures from the account may be used for:

29 (a) Economic development, which includes addressing wealth  
30 disparities to promote asset building such as home ownership and  
31 expanding access to financial resources including, but not limited  
32 to, grants and loans for small businesses and entrepreneurs,  
33 financial literacy training, and other small business training and  
34 support activities;

35 (b) Civil and criminal legal assistance to provide postconviction  
36 relief and case assistance, including the expungement of criminal  
37 records and vacation of criminal convictions;

38 (c) Community-based violence intervention and prevention  
39 services; and

1           (d) Reentry services to facilitate successful transitions for  
2 persons formerly incarcerated in an adult correctional facility or  
3 juvenile residential facility in Washington.

--- **END** ---