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**HOUSE BILL 1704**

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**State of Washington                      69th Legislature                      2025 Regular Session**

**By** Representatives Schmidt, Zahn, Eslick, Walen, Low, and Barnard

Read first time 01/29/25. Referred to Committee on Appropriations.

1            AN ACT Relating to increasing cannabis revenue distributions to  
2 local governments; and amending RCW 69.50.540.

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

4            **Sec. 1.** RCW 69.50.540 and 2023 c 470 s 1015 are each amended to  
5 read as follows:

6            (1) For the purposes of this subsection (1), the legislature must  
7 appropriate the amounts provided in this subsection:

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

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

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

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

20           (B) Programs that support development and implementation of  
21 coordinated intervention strategies for the prevention and reduction

1 of commercial tobacco, vapor product, and cannabis use by youth and  
2 cannabis cessation treatment services, including grant programs to  
3 local health departments or other local community agencies;

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

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

12 (ii) The Washington poison control center;

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

15 (ii) \$200,000 annually to the department of commerce to fund  
16 technical assistance through a roster of mentors under RCW  
17 43.330.540;

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

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

27 (f) \$300,000 annually to the University of Washington and  
28 \$175,000 annually to the Washington State University for research on  
29 the short-term and long-term effects of cannabis use to include, but  
30 not be limited to, formal and informal methods for estimating and  
31 measuring intoxication and impairments, and for the dissemination of  
32 such research;

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

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

1 (i) \$270,000 for fiscal year 2022 and \$290,000 for fiscal year  
2 2023 to the department of ecology for implementation of accreditation  
3 of cannabis product testing laboratories;

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

7 (k) \$621,000 for fiscal year 2022 and \$635,000 for fiscal year  
8 2023 to the department of agriculture for compliance-based laboratory  
9 analysis of pesticides in cannabis.

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

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

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

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

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

37 (ii) Develop, implement, maintain, and evaluate programs and  
38 practices aimed at the prevention or reduction of maladaptive  
39 substance use, substance use disorder, substance abuse or substance  
40 dependence, as these terms are defined in the diagnostic and

1 statistical manual of mental disorders, among middle school and high  
2 school-age students, whether as an explicit goal of a given program  
3 or practice or as a consistently corresponding effect of its  
4 implementation, mental health services for children and youth, and  
5 services for pregnant and parenting women. In deciding which programs  
6 and practices to fund under this subsection (3)(b)(ii), the director  
7 of the health care authority must consult, at least annually, with  
8 the University of Washington's social development research group and  
9 the University of Washington's alcohol and drug abuse institute; and

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

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

23 (ii) (~~Three and one-half~~) 10 percent to counties, cities, and  
24 towns ratably on a per capita basis. Counties must receive 60 percent  
25 of the distribution based on each county's total proportional  
26 population. Funds may only be distributed to jurisdictions that do  
27 not prohibit the siting of any state licensed cannabis producer,  
28 processor, or retailer;

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

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

36 (d) (~~Thirty-two~~) 20 percent must be deposited in the state  
37 general fund.

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