

E3SSB 5887 - H AMD **959**

By Representative Condotta

1 On page 49, after line 9, insert the following:

2 "Sec. 38. RCW 69.50.530 and 2013 c 3 s 26 (Initiative Measure No.
3 502) are each amended to read as follows:

4 (1) (~~There shall be~~) (a) Except as otherwise provided in (b) of
5 this subsection, there must be a fund, known as the dedicated marijuana
6 fund, which (~~shall~~) consists of all marijuana excise taxes, license
7 fees, penalties, forfeitures, and all other moneys, income, or revenue
8 received by the state liquor (~~control~~) and cannabis board from
9 marijuana-related activities. The state treasurer (~~shall~~) must be
10 custodian of the fund.

11 (b) There must be a fund, known as the dedicated local jurisdiction
12 marijuana fund, which consists of marijuana excise taxes collected
13 under RCW 69.50.535(3). The state treasurer must be custodian of the
14 fund.

15 (2) All moneys received by the state liquor (~~control~~) and
16 cannabis board or any employee thereof from marijuana-related
17 activities (~~shall~~) must be deposited each day in a depository
18 approved by the state treasurer and transferred to the state treasurer
19 to be credited to the dedicated marijuana fund or the dedicated local
20 jurisdiction marijuana fund.

21 (3) Disbursements from the dedicated marijuana fund (~~shall~~) or
22 the dedicated local jurisdiction marijuana fund must be on
23 authorization of the state liquor (~~control~~) and cannabis board or a
24 duly authorized representative thereof.

25 **Sec. 39.** RCW 69.50.535 and 2013 c 3 s 27 (Initiative Measure No.
26 502) are each amended to read as follows:

27 (1) There is levied and collected a marijuana excise tax equal to
28 twenty-five percent of the selling price on each wholesale sale in this

1 state of marijuana by a licensed marijuana producer to a licensed
2 marijuana processor or another licensed marijuana producer. This tax
3 is the obligation of the licensed marijuana producer.

4 (2) There is levied and collected a marijuana excise tax equal to
5 twenty-five percent of the selling price on each wholesale sale in this
6 state of useable marijuana or marijuana-infused product by a licensed
7 marijuana processor to a licensed marijuana retailer. This tax is the
8 obligation of the licensed marijuana processor.

9 (3) There is levied and collected a marijuana excise tax equal to
10 twenty-five percent of the selling price on each retail sale in this
11 state of useable marijuana and marijuana-infused products. This tax is
12 the obligation of the licensed marijuana retailer, is separate and in
13 addition to general state and local sales and use taxes that apply to
14 retail sales of tangible personal property, and is part of the total
15 retail price to which general state and local sales and use taxes
16 apply.

17 (4) All revenues collected from the marijuana excise taxes imposed
18 under subsections (1) through (3) of this section (~~(shall)~~) must be
19 deposited each day in a depository approved by the state treasurer and
20 transferred to the state treasurer (~~(to be credited to the dedicated~~
21 ~~marijuana fund)~~) as follows:

22 (a) Ninety percent of the revenue collected from the marijuana
23 excise tax imposed under subsection (1) of this section must be
24 credited to the dedicated marijuana fund, and ten percent of the
25 revenue collected under subsection (1) of this section must be credited
26 to the dedicated local jurisdiction marijuana fund.

27 (b) All revenue collected from the marijuana excise tax imposed
28 under subsection (2) of this section must be credited to the dedicated
29 marijuana fund.

30 (c) Eighty percent of the revenue collected from the marijuana
31 excise tax imposed under subsection (3) of this section must be
32 credited to the dedicated marijuana fund, and twenty percent of the
33 revenue collected under subsection (3) of this section must be credited
34 to the dedicated local jurisdiction marijuana fund.

35 (5) The state liquor (~~(control)~~) and cannabis board (~~(shall)~~) must
36 regularly review the tax levels established under this section and make
37 recommendations to the legislature as appropriate regarding adjustments

1 that would further the goal of discouraging use while undercutting
2 illegal market prices.

3 **Sec. 40.** RCW 69.50.540 and 2013 c 3 s 28 (Initiative Measure No.
4 502) are each amended to read as follows:

5 (1) All marijuana excise taxes collected from sales of marijuana,
6 useable marijuana, and marijuana-infused products under RCW 69.50.535,
7 and the license fees, penalties, and forfeitures derived under chapter
8 3, Laws of 2013 from marijuana producer, marijuana processor, and
9 marijuana retailer licenses (~~(shall)~~) deposited in the dedicated
10 marijuana fund must every three months be disbursed by the state liquor
11 (~~control~~) and cannabis board as follows:

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

29 ~~((2))~~ (b) Fifty thousand dollars to the department of social and
30 health services for the purpose of contracting with the Washington
31 state institute for public policy to conduct the cost-benefit
32 evaluation and produce the reports described in RCW 69.50.550. This
33 appropriation (~~shall~~) ends after production of the final report
34 required by RCW 69.50.550;

35 ~~((3))~~ (c) Five thousand dollars to the University of Washington
36 alcohol and drug abuse institute for the creation, maintenance, and

1 timely updating of web-based public education materials providing
2 medically and scientifically accurate information about the health and
3 safety risks posed by marijuana use;

4 ~~((+4))~~ (d) An amount not exceeding one million two hundred fifty
5 thousand dollars to the state liquor ~~((control))~~ and cannabis board as
6 is necessary for administration of chapter 3, Laws of 2013;

7 ~~((+5))~~ (e)(i) Of the funds remaining after the disbursements
8 identified in subsections ~~((+1))~~ (a) through ~~((+4))~~ (d) of this
9 ~~((section))~~ subsection:

10 ~~((+a))~~ (A) Fifteen percent to the department of social and health
11 services division of behavioral health and recovery for implementation
12 and maintenance of programs and practices aimed at the prevention or
13 reduction of maladaptive substance use, substance-use disorder,
14 substance abuse or substance dependence, as these terms are defined in
15 the Diagnostic and Statistical Manual of Mental Disorders, among middle
16 school and high school age students, whether as an explicit goal of a
17 given program or practice or as a consistently corresponding effect of
18 its implementation; PROVIDED, That:

19 ~~((+i))~~ (I) Of the funds disbursed under ~~((+a))~~ (e)(i)(A) of this
20 subsection, at least eighty-five percent must be directed to evidence-
21 based and cost-beneficial programs and practices that produce
22 objectively measurable results; and

23 ~~((+ii))~~ (II) Up to fifteen percent of the funds disbursed under
24 ~~((+a))~~ (e)(i)(A) of this subsection may be directed to research-based
25 and emerging best practices or promising practices.

26 (ii) In deciding which programs and practices to fund, the
27 secretary of the department of social and health services ~~((shall))~~
28 must consult, at least annually, with the University of Washington's
29 social development research group and the University of Washington's
30 alcohol and drug abuse institute;

31 ~~((+b))~~ (B) Ten percent to the department of health for the
32 creation, implementation, operation, and management of a marijuana
33 education and public health program that contains the following:

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

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

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

10 ~~((+e))~~ (C) Six-tenths of one percent to the University of
11 Washington and four-tenths of one percent to Washington State
12 University for research on the short and long-term effects of marijuana
13 use, to include but not be limited to formal and informal methods for
14 estimating and measuring intoxication and impairment, and for the
15 dissemination of such research;

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

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

24 ~~((+f))~~ (F) Three-tenths of one percent to the office of the
25 superintendent of public instruction to fund grants to building bridges
26 programs under chapter 28A.175 RCW; and

27 ~~((+g))~~ (G) The remainder to the general fund.

28 (2) All marijuana excise taxes from sales of marijuana, useable
29 marijuana, and marijuana-infused products that are collected and
30 deposited under RCW 69.50.535 in the dedicated local jurisdiction
31 marijuana fund must be disbursed every three months by the state liquor
32 and cannabis board as follows:

33 (a) All marijuana excise taxes collected and deposited under RCW
34 69.50.535(1) in the dedicated local jurisdiction marijuana fund must be
35 disbursed to the local jurisdiction where the marijuana producer is
36 physically located. Each local jurisdiction must receive revenue
37 distributions based on the proportional share of the total revenues in

1 the dedicated local jurisdiction marijuana fund from the taxes
2 collected under RCW 69.50.535(1) from producers physically located in
3 each local jurisdiction; and

4 (b) All marijuana excise taxes collected and deposited under RCW
5 69.50.535(3) in the dedicated local jurisdiction marijuana fund must be
6 disbursed to the local jurisdiction where the retail sale originated.
7 Each local jurisdiction with retail sales must receive revenue
8 distributions based on its proportional amount of the total revenues
9 from the excise tax imposed under RCW 69.50.535(3) in the dedicated
10 local jurisdiction marijuana fund from retail sales in its
11 jurisdiction."

12 Renumber the remaining sections consecutively, correct any internal
13 references accordingly, and correct the title.

EFFECT: (1) Creates the Dedicated Local Jurisdiction Marijuana Fund (Local Jurisdiction Fund). Requires 10 percent of excise taxes collected on sales of marijuana from a producer to a processor to go to the Local Jurisdiction Fund and the other 90 percent to go to the Dedicated Marijuana Fund. Requires 20 percent of excise taxes collected on sales of marijuana from a retailer to a consumer to go to the Local Jurisdiction Fund and the other 80 percent to go to the Dedicated Marijuana Fund.

(2) Requires taxes deposited in the Local Jurisdiction Fund from producer to processor sales to be disbursed to the jurisdiction in which the producer is located. Requires taxes deposited in the Local Jurisdiction Fund from retailer to consumer sales to be disbursed to the jurisdiction in which the sale occurred. Requires revenue distributions to each local jurisdiction to be a proportional share of revenue from retail sales within the jurisdiction and a proportional share of the revenue from producers in each jurisdiction.

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