

E3SSB 5887 - H AMD TO H AMD (5887-S3.E AMH CODY BLAC 155) **982**

By Representative Condotta

1 On page 23, after line 32 of the striking amendment, insert the
2 following:

3
4 "Sec. 20. RCW 69.50.530 and 2013 c 3 s 26 (Initiative Measure No.
5 502) are each amended to read as follows:

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

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

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

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

27

1 **Sec. 21.** RCW 69.50.535 and 2013 c 3 s 27 (Initiative Measure No.
2 502) are each amended to read as follows:

3 (1) There is levied and collected a marijuana excise tax equal to
4 twenty-five percent of the selling price on each wholesale sale in
5 this state of marijuana by a licensed marijuana producer to a licensed
6 marijuana processor or another licensed marijuana producer. This tax
7 is the obligation of the licensed marijuana producer.

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

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

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

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

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

34 (c) Eighty percent of the revenue collected from the marijuana

1 excise tax imposed under subsection (3) of this section must be
2 credited to the dedicated marijuana fund, and twenty percent of the
3 revenue collected under subsection (3) of this section must be
4 credited to the dedicated local jurisdiction marijuana fund.

5 (5) The state liquor (~~control~~) and cannabis board (~~shall~~) must
6 regularly review the tax levels established under this section and
7 make recommendations to the legislature as appropriate regarding
8 adjustments that would further the goal of discouraging use while
9 undercutting illegal market prices.

10

11 **Sec. 22.** RCW 69.50.540 and 2013 c 3 s 28 (Initiative Measure No.
12 502) are each amended to read as follows:

13 (1) All marijuana excise taxes collected from sales of marijuana,
14 useable marijuana, and marijuana-infused products under RCW 69.50.535,
15 and the license fees, penalties, and forfeitures derived under chapter
16 3, Laws of 2013 from marijuana producer, marijuana processor, and
17 marijuana retailer licenses (~~shall~~) deposited in the dedicated
18 marijuana fund must every three months be disbursed by the state
19 liquor (~~control~~) and cannabis board as follows:

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

1 healthy youth survey to student populations attending institutions of
2 higher education in Washington;

3 ~~((+2))~~ (b) Fifty thousand dollars to the department of social and
4 health services for the purpose of contracting with the Washington
5 state institute for public policy to conduct the cost-benefit
6 evaluation and produce the reports described in RCW 69.50.550. This
7 appropriation ~~((shall))~~ ends after production of the final report
8 required by RCW 69.50.550;

9 ~~((+3))~~ (c) Five thousand dollars to the University of Washington
10 alcohol and drug abuse institute for the creation, maintenance, and
11 timely updating of web-based public education materials providing
12 medically and scientifically accurate information about the health and
13 safety risks posed by marijuana use;

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

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

20 ~~((+a))~~ (A) Fifteen percent to the department of social and health
21 services division of behavioral health and recovery for implementation
22 and maintenance of programs and practices aimed at the prevention or
23 reduction of maladaptive substance use, substance-use disorder,
24 substance abuse or substance dependence, as these terms are defined in
25 the Diagnostic and Statistical Manual of Mental Disorders, among
26 middle school and high school age students, whether as an explicit
27 goal of a given program or practice or as a consistently corresponding
28 effect of its implementation; PROVIDED, That:

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

33

34

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

4 (ii) In deciding which programs and practices to fund, the secretary
5 of the department of social and health services ~~((shall))~~ must
6 consult, at least annually, with the University of Washington's social
7 development research group and the University of Washington's alcohol
8 and drug abuse institute;

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

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

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

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

26 ~~((+e))~~ (C) Six-tenths of one percent to the University of
27 Washington and four-tenths of one percent to Washington State
28 University for research on the short and long-term effects of
29 marijuana use, to include but not be limited to formal and informal
30 methods for estimating and measuring intoxication and impairment, and
31 for the dissemination of such research;

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

1 ~~((e))~~ (E) Five percent to the Washington state health care
2 authority to be expended exclusively through contracts with community
3 health centers to provide primary health and dental care services,
4 migrant health services, and maternity health care services as
5 provided under RCW 41.05.220;

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

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

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

15 (a) All marijuana excise taxes collected and deposited under RCW
16 69.50.535(1) in the dedicated local jurisdiction marijuana fund must
17 be disbursed to the local jurisdiction where the marijuana producer is
18 physically located. Each local jurisdiction must receive revenue
19 distributions based on the proportional share of the total revenues in
20 the dedicated local jurisdiction marijuana fund from the taxes
21 collected under RCW 69.50.535(1) from producers physically located in
22 each local jurisdiction; and

23 (b) All marijuana excise taxes collected and deposited under RCW
24 69.50.535(3) in the dedicated local jurisdiction marijuana fund must
25 be disbursed to the local jurisdiction where the retail sale
26 originated. Each local jurisdiction with retail sales must receive
27 revenue distributions based on its proportional amount of the total
28 revenues from the excise tax imposed under RCW 69.50.535(3) in the
29 dedicated local jurisdiction marijuana fund from retail sales in its
30 jurisdiction.

31
32 NEW SECTION. Sec. 23. (1) Sections 20 through 22 of this act
33 expire on October 1, 2017, only if:
34

1 (a) The report in subsection (2)(a) of this section demonstrates
2 that the liquor and cannabis board has issued three hundred or more
3 licenses to marijuana retailers under chapter 69.50 RCW; and

4 (b) The report in subsection (2)(b) of this section indicates that
5 the actual revenue collections for the 2015-17 biennium for excise
6 taxes and license fees raised pursuant to RCW 69.50.325 and 69.50.535
7 were less than one hundred thirty-three million dollars.

8 (2)(a) The liquor and cannabis board shall report to the office of
9 the code reviser by July 1, 2016 as to whether or not three hundred or
10 more licenses have been issued to marijuana retailers under chapter
11 69.50 RCW.

12 (b) The economic and revenue forecasting council shall report to
13 the office of the code reviser by September 15, 2017 as to whether or
14 not the actual revenue collections for the 2015-17 biennium for excise
15 taxes and license fees raised pursuant to RCW 69.50.325 and 69.50.535
16 were less than one hundred thirty-three million."

17
18 Renumber the remaining sections consecutively and correct any
19 internal references accordingly.

20

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.

(3) Provides that the distributions to local government expire on October 1, 2017 if (a) there are more than 300 marijuana retailer licenses issued by the Liquor Control Board by July 1, 2016 and (b)

the actual collections of marijuana excise taxes and licensing fees exceed \$133 million for the 2015-17 biennium.

--- END ---