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HOUSE BILL 2144

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State of Washington

63rd Legislature

2014 Regular Session

By Representatives Condotta, Manweller, Buys, Blake, Springer, Shea, Holy, and Vick

Prefiled 01/06/14. Read first time 01/13/14. Referred to Committee on Government Accountability & Oversight.

1 AN ACT Relating to the establishment of a dedicated local  
2 jurisdiction marijuana fund and the distribution of a specified  
3 percentage of marijuana excise tax revenues to local jurisdictions;  
4 amending RCW 69.50.530, 69.50.535, and 69.50.540; and providing an  
5 effective date.

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

7 **Sec. 1.** RCW 69.50.530 and 2013 c 3 s 26 (Initiative Measure No.  
8 502) are each amended to read as follows:

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

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

1 (2) All moneys received by the state liquor control board or any  
2 employee thereof from marijuana-related activities (~~shall~~) must be  
3 deposited each day in a depository approved by the state treasurer and  
4 transferred to the state treasurer to be credited to the dedicated  
5 marijuana fund or the dedicated local jurisdiction marijuana fund.

6 (3) Disbursements from the dedicated marijuana fund (~~shall~~) or  
7 the dedicated local jurisdiction marijuana fund must be on  
8 authorization of the state liquor control board or a duly authorized  
9 representative thereof.

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

12 (1) There is levied and collected a marijuana excise tax equal to  
13 twenty-five percent of the selling price on each wholesale sale in this  
14 state of marijuana by a licensed marijuana producer to a licensed  
15 marijuana processor or another licensed marijuana producer. This tax  
16 is the obligation of the licensed marijuana producer.

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

22 (3) There is levied and collected a marijuana excise tax equal to  
23 twenty-five percent of the selling price on each retail sale in this  
24 state of useable marijuana and marijuana-infused products. This tax is  
25 the obligation of the licensed marijuana retailer, is separate and in  
26 addition to general state and local sales and use taxes that apply to  
27 retail sales of tangible personal property, and is part of the total  
28 retail price to which general state and local sales and use taxes  
29 apply.

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

35 (a) All revenue collected from the marijuana excise tax imposed  
36 under subsections (1) and (2) of this section and seventy percent of

1 revenue collected from the marijuana excise tax imposed under  
2 subsection (3) of this section must be credited to the dedicated  
3 marijuana fund.

4 (b) Thirty percent of revenue collected from the marijuana excise  
5 tax imposed under subsection (3) of this section must be credited to  
6 the dedicated local jurisdiction marijuana fund.

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

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

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

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

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

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

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

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

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

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

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

34       (ii) In deciding which programs and practices to fund, the  
35 secretary of the department of social and health services ~~((shall))~~  
36 must consult, at least annually, with the University of Washington's  
37 social development research group and the University of Washington's  
38 alcohol and drug abuse institute;

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

4        ~~((i))~~ (I) A marijuana use public health hotline that provides  
5 referrals to substance abuse treatment providers, utilizes evidence-  
6 based or research-based public health approaches to minimizing the  
7 harms associated with marijuana use, and does not solely advocate an  
8 abstinence-only approach;

9        ~~((ii))~~ (II) A grants program for local health departments or  
10 other local community agencies that supports development and  
11 implementation of coordinated intervention strategies for the  
12 prevention and reduction of marijuana use by youth; and

13       ~~((iii))~~ (III) Media-based education campaigns across television,  
14 internet, radio, print, and out-of-home advertising, separately  
15 targeting youth and adults, that provide medically and scientifically  
16 accurate information about the health and safety risks posed by  
17 marijuana use;

18       ~~((e))~~ (C) Six-tenths of one percent to the University of  
19 Washington and four-tenths of one percent to Washington State  
20 University for research on the short and long-term effects of marijuana  
21 use, to include but not be limited to formal and informal methods for  
22 estimating and measuring intoxication and impairment, and for the  
23 dissemination of such research;

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

27       ~~((e))~~ (E) Five percent to the Washington state health care  
28 authority to be expended exclusively through contracts with community  
29 health centers to provide primary health and dental care services,  
30 migrant health services, and maternity health care services as provided  
31 under RCW 41.05.220;

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

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

36       (2) All marijuana excise taxes from sales of marijuana, useable  
37 marijuana, and marijuana-infused products that are collected and  
38 deposited under RCW 69.50.535 in the dedicated local jurisdiction

1 marijuana fund must be disbursed every three months by the state liquor  
2 control board to the local jurisdiction where the retail sale  
3 originated. Each local jurisdiction with retail sales must receive  
4 revenue distributions based on their proportional amount of the total  
5 revenues in the dedicated local jurisdiction marijuana fund from sales  
6 within their jurisdiction.

7 NEW SECTION. **Sec. 4.** This act takes effect July 1, 2014.

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