
HOUSE BILL 2060

State of Washington

65th Legislature

2017 Regular Session

By Representative Taylor

Read first time 02/09/17. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to requiring counties, cities, and towns to
2 permit the operation of state licensed marijuana retail businesses in
3 order to receive marijuana-related tax distributions; amending RCW
4 69.50.540; and adding a new section to chapter 66.08 RCW.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 66.08
7 RCW to read as follows:

8 (1)(a) Except as otherwise provided under this section, effective
9 January 1, 2018, each county, city, or town that chooses to have a
10 state licensed marijuana retailer within its jurisdiction must have a
11 retailer that is fully operational and doing business within its
12 jurisdictional boundaries in order to receive its share of the
13 marijuana tax distribution allowed under RCW 69.50.540. A county,
14 city, or town that does not meet this requirement is subject to the
15 forfeiture of all moneys to which the county, city, or town would
16 otherwise be entitled pursuant to a distribution in accordance with
17 RCW 69.50.540(2)(g).

18 (b) A county, city, or town that does not meet the requirements
19 of (a) of this subsection may be exempted from the tax distribution
20 forfeiture provisions of this section if:

1 (i) The state liquor and cannabis board has not issued a
2 marijuana retailer's license authorizing a person or entity to
3 operate a marijuana retail business within the jurisdictional
4 boundaries of the county, city, or town;

5 (ii) A state licensed marijuana retail outlet is in the process
6 of opening for business within the jurisdiction and the county, city,
7 or town has cooperated in this process by issuing the local licenses
8 and permits necessary for conducting business within the
9 jurisdiction; or

10 (iii) The state liquor and cannabis board has issued a marijuana
11 retailer's license authorizing a person or entity to operate a
12 marijuana retail business within the jurisdictional boundaries of the
13 county, city, or town, but the opening of the business has been
14 delayed due to inaction on the part of the licensee. This exemption
15 does not apply if the reason for the delay or failure to open is the
16 result of actions by the local government involving the imposition of
17 local regulatory requirements that are unreasonable or otherwise
18 treat the licensee in a manner that is discriminatory as compared to
19 the regulatory requirements imposed on other businesses within the
20 jurisdiction.

21 (2) The tax distribution forfeiture exemptions established under
22 subsection (1)(b) of this section do not apply to any county, city,
23 or town that uses its local regulatory authority to unreasonably
24 impede, delay, or otherwise prevent the operation of a marijuana
25 retailer with a state license authorizing its operation within the
26 jurisdiction.

27 (3) The moneys forfeited pursuant to this section may be
28 transferred to the state general fund.

29 **Sec. 2.** RCW 69.50.540 and 2015 3rd sp.s. c 4 s 967 are each
30 amended to read as follows:

31 The legislature must annually appropriate moneys in the dedicated
32 marijuana account created in RCW 69.50.530 as follows:

33 (1) For the purposes listed in this subsection (1), the
34 legislature must appropriate to the respective agencies amounts
35 sufficient to make the following expenditures on a quarterly basis:

36 (a) Beginning July 1, 2015, one hundred twenty-five thousand
37 dollars to the department of social and health services to design and
38 administer the Washington state healthy youth survey, analyze the
39 collected data, and produce reports, in collaboration with the office

1 of the superintendent of public instruction, department of health,
2 department of commerce, family policy council, and state liquor and
3 cannabis board. The survey must be conducted at least every two years
4 and include questions regarding, but not necessarily limited to,
5 academic achievement, age at time of substance use initiation,
6 antisocial behavior of friends, attitudes toward antisocial behavior,
7 attitudes toward substance use, laws and community norms regarding
8 antisocial behavior, family conflict, family management, parental
9 attitudes toward substance use, peer rewarding of antisocial
10 behavior, perceived risk of substance use, and rebelliousness. Funds
11 disbursed under this subsection may be used to expand administration
12 of the healthy youth survey to student populations attending
13 institutions of higher education in Washington;

14 (b) Beginning July 1, 2015, fifty thousand dollars to the
15 department of social and health services for the purpose of
16 contracting with the Washington state institute for public policy to
17 conduct the cost-benefit evaluation and produce the reports described
18 in RCW 69.50.550. This appropriation ends after production of the
19 final report required by RCW 69.50.550;

20 (c) Beginning July 1, 2015, five thousand dollars to the
21 University of Washington alcohol and drug abuse institute for the
22 creation, maintenance, and timely updating of web-based public
23 education materials providing medically and scientifically accurate
24 information about the health and safety risks posed by marijuana use;

25 (d) An amount not less than one million two hundred fifty
26 thousand dollars to the state liquor and cannabis board for
27 administration of this chapter as appropriated in the omnibus
28 appropriations act;

29 (e) Twenty-three thousand seven hundred fifty dollars to the
30 department of enterprise services provided solely for the state
31 building code council established under RCW 19.27.070, to develop and
32 adopt fire and building code provisions related to marijuana
33 processing and extraction facilities. The distribution under this
34 subsection (1)(e) is for fiscal year 2016 only;

35 (2) From the amounts in the dedicated marijuana account after
36 appropriation of the amounts identified in subsection (1) of this
37 section, the legislature must appropriate for the purposes listed in
38 this subsection (2) as follows:

39 (a)(i) Up to fifteen percent to the department of social and
40 health services division of behavioral health and recovery for the

1 development, implementation, maintenance, and evaluation of programs
2 and practices aimed at the prevention or reduction of maladaptive
3 substance use, substance use disorder, substance abuse or substance
4 dependence, as these terms are defined in the Diagnostic and
5 Statistical Manual of Mental Disorders, among middle school and high
6 school-age students, whether as an explicit goal of a given program
7 or practice or as a consistently corresponding effect of its
8 implementation, mental health services for children and youth, and
9 services for pregnant and parenting women; PROVIDED, That:

10 (A) Of the funds appropriated under (a)(i) of this subsection for
11 new programs and new services, at least eighty-five percent must be
12 directed to evidence-based or research-based programs and practices
13 that produce objectively measurable results and, by September 1,
14 2020, are cost-beneficial; and

15 (B) Up to fifteen percent of the funds appropriated under (a)(i)
16 of this subsection for new programs and new services may be directed
17 to proven and tested practices, emerging best practices, or promising
18 practices.

19 (ii) In deciding which programs and practices to fund, the
20 secretary of the department of social and health services must
21 consult, at least annually, with the University of Washington's
22 social development research group and the University of Washington's
23 alcohol and drug abuse institute.

24 (iii) For the fiscal year beginning July 1, 2016, the legislature
25 must appropriate a minimum of twenty-seven million seven hundred
26 eighty-six thousand dollars, and for each subsequent fiscal year
27 thereafter, the legislature must appropriate a minimum of twenty-five
28 million five hundred thirty-six thousand dollars under this
29 subsection (2)(a);

30 (b)(i) Up to ten percent to the department of health for the
31 following, subject to (b)(ii) of this subsection (2):

32 (A) Creation, implementation, operation, and management of a
33 marijuana education and public health program that contains the
34 following:

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

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

5 (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 (B) The Washington poison control center; and

11 (C) During the 2015-2017 fiscal biennium, the funds appropriated
12 under this subsection (2)(b) may be used for prevention activities
13 that target youth and populations with a high incidence of tobacco
14 use.

15 (ii) For the fiscal year beginning July 1, 2016, the legislature
16 must appropriate a minimum of seven million five hundred thousand
17 dollars and for each subsequent fiscal year thereafter, the
18 legislature must appropriate a minimum of nine million seven hundred
19 fifty thousand dollars under this subsection (2)(b);

20 (c)(i) Up to six-tenths of one percent to the University of
21 Washington and four-tenths of one percent to Washington State
22 University for research on the short and long-term effects of
23 marijuana use, to include but not be limited to formal and informal
24 methods for estimating and measuring intoxication and impairment, and
25 for the dissemination of such research.

26 (ii) For the fiscal year beginning July 1, 2016, the legislature
27 must appropriate a minimum of two hundred seven thousand dollars and
28 for each subsequent fiscal year, the legislature must appropriate a
29 minimum of one million twenty-one thousand dollars to the University
30 of Washington. For the fiscal year beginning July 1, 2016, the
31 legislature must appropriate a minimum of one hundred thirty-eight
32 thousand dollars and for each subsequent fiscal year thereafter, a
33 minimum of six hundred eighty-one thousand dollars to Washington
34 State University under this subsection (2)(c);

35 (d) Fifty percent to the state basic health plan trust account to
36 be administered by the Washington basic health plan administrator and
37 used as provided under chapter 70.47 RCW;

38 (e) Five percent to the Washington state health care authority to
39 be expended exclusively through contracts with community health
40 centers to provide primary health and dental care services, migrant

1 health services, and maternity health care services as provided under
2 RCW 41.05.220;

3 (f)(i) Up to three-tenths of one percent to the office of the
4 superintendent of public instruction to fund grants to building
5 bridges programs under chapter 28A.175 RCW.

6 (ii) For the fiscal year beginning July 1, 2016, and each
7 subsequent fiscal year, the legislature must appropriate a minimum of
8 five hundred eleven thousand dollars to the office of the
9 superintendent of public instruction under this subsection (2)(f);
10 (~~and~~)

11 (g) At the end of each fiscal year, the treasurer must transfer
12 any amounts in the dedicated marijuana account that are not
13 appropriated pursuant to subsection (1) of this section and this
14 subsection (2) into the general fund, except as provided in (g)(i) of
15 this subsection (2).

16 (i) Beginning in fiscal year 2018, if marijuana excise tax
17 collections deposited into the general fund in the prior fiscal year
18 exceed twenty-five million dollars, then each fiscal year the
19 legislature must, except as provided in (h) of this subsection,
20 appropriate an amount equal to thirty percent of all marijuana excise
21 taxes deposited into the general fund the prior fiscal year to the
22 treasurer for distribution to counties, cities, and towns as follows:

23 (A) Thirty percent must be distributed to counties, cities, and
24 towns where licensed marijuana retailers are physically located. Each
25 jurisdiction must receive a share of the revenue distribution under
26 this subsection (2)(g)(i)(A) based on the proportional share of the
27 total revenues generated in the individual jurisdiction from the
28 taxes collected under RCW 69.50.535, from licensed marijuana
29 retailers physically located in each jurisdiction. For purposes of
30 this subsection (2)(g)(i)(A), one hundred percent of the proportional
31 amount attributed to a retailer physically located in a city or town
32 must be distributed to the city or town.

33 (B) Seventy percent must be distributed to counties, cities, and
34 towns ratably on a per capita basis. Counties must receive sixty
35 percent of the distribution, which must be disbursed based on each
36 county's total proportional population. Funds may only be distributed
37 to jurisdictions that have a state licensed marijuana retailer that
38 is fully operational and doing business within its jurisdictional
39 boundaries in accordance with section 1 of this act and that do not
40 prohibit the siting of any state licensed marijuana producer,

1 processor, or retailer. The distribution of funds under this
2 subsection (2)(g)(i)(B) is subject to section 1 of this act.

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

6 (iii) By September 15th of each year, the state liquor and
7 cannabis board must provide the state treasurer the annual
8 distribution amount, if any, for each county and city as determined
9 in (g)(i) of this subsection (2).

10 (iv) The total share of marijuana excise tax revenues distributed
11 to counties and cities in (g)(i) of this subsection (2) may not
12 exceed fifteen million dollars in fiscal years 2018 and 2019 and
13 twenty million dollars per fiscal year thereafter; and

14 (h) All distributions to counties, cities, and towns under (g)(i)
15 of this subsection are subject to section 1 of this act.

16 For the purposes of this section, "marijuana products" means
17 "useable marijuana," "marijuana concentrates," and "marijuana-infused
18 products" as those terms are defined in RCW 69.50.101.

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