

SENATE BILL REPORT

SB 5706

As of January 18, 2022

Title: An act relating to the creation of the community reinvestment account and community reinvestment program.

Brief Description: Creating the community reinvestment account and community reinvestment program.

Sponsors: Senators Saldaña, Frockt, Hasegawa, Nguyen, Stanford and Wilson, C.; by request of Office of the Governor.

Brief History:

Committee Activity: Labor, Commerce & Tribal Affairs: 1/19/22.

Brief Summary of Bill

- Requires \$125 million to be transferred from the Dedicated Marijuana Account to the Community Reinvestment Account and appropriated to the Department of Commerce to establish a Cannabis Equity Grant Program, beginning fiscal year 2023 and each succeeding fiscal year.

SENATE COMMITTEE ON LABOR, COMMERCE & TRIBAL AFFAIRS

Staff: Matt Shepard-Koningsor (786-7627)

Background: Dedicated Marijuana Account. The Dedicated Marijuana Account (Marijuana Account) is an appropriated account in the custody of the state treasurer. All moneys received by the Liquor and Cannabis Board from marijuana-related activities must be deposited in the Marijuana Account. These moneys include marijuana excise taxes collected on sales of marijuana and marijuana products, license fees, penalties, and forfeitures from marijuana producers, processors, researchers, and retailers. Moneys from the account are distributed to agencies, local governments, and to the Basic Health Plan Trust Account. At the end of each fiscal year (FY), unappropriated amounts in the

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Marijuana Account are transferred into the State General Fund.

Summary of Bill: The Community Reinvestment Account (Reinvestment Account) is created in the state treasury. The Reinvestment Account must receive its proportionate share of earnings based upon its average daily balance for the period. Expenditures from the account may be used for:

- economic development, which includes addressing wealth disparities to promote asset building, such as home ownership, and expanding access to financial resources including, but not limited to, grants and loans for small businesses and entrepreneurs, financial literacy training, and other small business training and support activities;
- civil and criminal legal assistance to provide post-conviction relief and case assistance, including the removal of criminal records and convictions; and
- reentry services to facilitate successful transitions for persons formerly incarcerated in an adult correctional facility or juvenile residential facility in Washington.

Beginning in FY23, and annually thereafter, \$125 million must be transferred from the Marijuana Account into the Reinvestment Account and appropriated to the Department of Commerce to establish a Cannabis Equity Grant Program.

Appropriation: The bill contains an appropriation totaling \$125,000,000 from the Dedicated Marijuana Account.

Fiscal Note: Requested on January 7, 2022.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed, except for section 5, relating to account earnings, which takes effect July 1, 2024.