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**HOUSE BILL 1650**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Representatives Wylie and Kloba

Read first time 01/27/23. Referred to Committee on Regulated Substances & Gaming.

1 AN ACT Relating to requiring voter approval for local government  
2 prohibitions on the operation and siting of cannabis retail  
3 businesses; reenacting and amending RCW 69.50.540; adding new  
4 sections to chapter 69.50 RCW; adding a new section to chapter 36.01  
5 RCW; adding a new section to chapter 35.21 RCW; and adding a new  
6 section to chapter 35A.21 RCW.

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

8 NEW SECTION. **Sec. 1.** A new section is added to chapter 69.50  
9 RCW to read as follows:

10 (1) Beginning July 1, 2027, a city, town, or county may prohibit  
11 the siting or operation of any business or facility to be used for  
12 the retail sale of cannabis products under this chapter only if:

13 (a) The city, town, or county initiates an ordinance by  
14 submitting a ballot proposition at a general election prohibiting the  
15 siting or operation of any business or facility to be used for the  
16 retail sale of cannabis under this chapter;

17 (b) A majority of the voters of the county, city, or town voting  
18 in the election approve the prohibition; and

19 (c) The election is held on a date after July 1, 2023.

20 (2) A prohibition takes effect on the date specified in the  
21 ballot proposition. If no effective date is specified in the ballot

1 proposition, the prohibition takes effect on a date specified by the  
2 legislative authority that must be at least 30 days and no later than  
3 60 days after the election.

4 (3) With respect to a county enacting an ordinance, the ordinance  
5 may apply only to unincorporated areas of the county. No voters  
6 within the boundaries of an incorporated city or town may participate  
7 in a county election under this section.

8 (4) Nothing in this section may be construed to extend powers to  
9 cities, towns, or counties beyond the power to prohibit the siting or  
10 operation of a business or facility to be used for the sale of  
11 cannabis.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 69.50  
13 RCW to read as follows:

14 (1) Except as provided in section 1 of this act and in  
15 subsections (2) through (4) of this section, the state of Washington  
16 has sole authority to regulate cannabis retailers licensed under this  
17 chapter and counties, cities, and towns are preempted from engaging  
18 in the regulation of cannabis retailers.

19 (2) Cities, towns, and counties retain their existing zoning  
20 authority regarding the siting of cannabis retailers.

21 (3) (a) Except as provided in section 1 of this act and in (b) of  
22 this subsection, counties, cities, and towns may not enact any  
23 ordinance, regulation, or land use plan that has the effect of  
24 precluding the siting or operation of cannabis retailers within their  
25 jurisdictional boundaries.

26 (b) A city, town, or county that prohibits the siting and  
27 operation of any retail business within its jurisdictional boundaries  
28 may enact an ordinance or regulation that precludes the siting and  
29 operation of state cannabis businesses.

30 (4) Nothing in this section may be construed to prevent a city,  
31 town, or county from applying ordinances of general application to  
32 cannabis businesses.

33 (5) Following the passage of an ordinance under section 1 of this  
34 act, the board may not issue a license under RCW 69.50.325(3) for the  
35 retail sale of cannabis with respect to a business that is either  
36 located or proposed to be located within an area subject to the  
37 ordinance.

1 (6) This section does not extend powers to cities, towns, or  
2 counties beyond the power to prohibit the siting or operation of a  
3 business or facility to be used for the sale of cannabis.

4 NEW SECTION. **Sec. 3.** A new section is added to chapter 36.01  
5 RCW to read as follows:

6 A county may enact an ordinance prohibiting the siting or  
7 operation of any retail cannabis business or activity within its  
8 jurisdictional boundaries if the ordinance is enacted in accordance  
9 with the requirements of section 1 of this act.

10 NEW SECTION. **Sec. 4.** A new section is added to chapter 35.21  
11 RCW to read as follows:

12 A city or town may enact an ordinance prohibiting the siting or  
13 operation of any retail cannabis business or activity within its  
14 jurisdictional boundaries if the ordinance is enacted in accordance  
15 with the requirements of section 1 of this act.

16 NEW SECTION. **Sec. 5.** A new section is added to chapter 35A.21  
17 RCW to read as follows:

18 A code city may enact an ordinance prohibiting the siting or  
19 operation of any retail cannabis business or activity within its  
20 jurisdictional boundaries if the ordinance is enacted in accordance  
21 with the requirements of section 1 of this act.

22 **Sec. 6.** RCW 69.50.540 and 2022 c 169 s 2 and 2022 c 16 s 102 are  
23 each reenacted and amended to read as follows:

24 (1) (~~For~~) Except as provided in subsection (4) of this section,  
25 for the purposes of this subsection (1), the legislature must  
26 appropriate the amounts provided in this subsection:

27 (a) \$12,500,000 annually to the board for administration of this  
28 chapter as appropriated in the omnibus appropriations act;

29 (b) \$11,000,000 annually to the department of health for the  
30 following:

31 (i) Creation, implementation, operation, and management of a  
32 cannabis, vapor product, and commercial tobacco education and public  
33 health program that contains the following:

34 (A) A cannabis use public health hotline that provides referrals  
35 to substance abuse treatment providers, uses evidence-based or  
36 research-based public health approaches to minimizing the harms

1 associated with cannabis use, and does not solely advocate an  
2 abstinence-only approach;

3 (B) Programs that support development and implementation of  
4 coordinated intervention strategies for the prevention and reduction  
5 of commercial tobacco, vapor product, and cannabis use by youth and  
6 cannabis cessation treatment services, including grant programs to  
7 local health departments or other local community agencies;

8 (C) Media-based education campaigns across television, internet,  
9 radio, print, and out-of-home advertising, separately targeting youth  
10 and adults, that provide medically and scientifically accurate  
11 information about the health and safety risks posed by cannabis use;  
12 and

13 (D) Outreach to priority populations regarding commercial  
14 tobacco, vapor product, and cannabis use, prevention, and cessation;  
15 and

16 (ii) The Washington poison control center;

17 (c) (i) \$3,000,000 annually to the department of commerce to fund  
18 cannabis social equity grants under RCW 43.330.540; and

19 (ii) \$200,000 annually to the department of commerce to fund  
20 technical assistance through a roster of mentors under RCW  
21 43.330.540;

22 (d) \$200,000 annually, until June 30, 2032, to the health care  
23 authority to contract with the Washington state institute for public  
24 policy to conduct the cost-benefit evaluations and produce the  
25 reports described in RCW 69.50.550;

26 (e) \$25,000 annually to the University of Washington alcohol and  
27 drug abuse institute for the creation, maintenance, and timely  
28 updating of web-based public education materials providing medically  
29 and scientifically accurate information about the health and safety  
30 risks posed by cannabis use;

31 (f) \$300,000 annually to the University of Washington and  
32 \$175,000 annually to the Washington State University for research on  
33 the short-term and long-term effects of cannabis use to include, but  
34 not be limited to, formal and informal methods for estimating and  
35 measuring intoxication and impairments, and for the dissemination of  
36 such research;

37 (g) \$550,000 annually to the office of the superintendent of  
38 public instruction to fund grants to building bridges programs under  
39 chapter 28A.175 RCW;

1 (h) \$2,423,000 for fiscal year 2022 and \$2,423,000 for fiscal  
2 year 2023 to the Washington state patrol for a drug enforcement task  
3 force;

4 (i) \$270,000 for fiscal year 2022 and \$290,000 for fiscal year  
5 2023 to the department of ecology for implementation of accreditation  
6 of cannabis product testing laboratories;

7 (j) \$800,000 for each of fiscal years 2020 through 2023 to the  
8 department of health for the administration of the cannabis  
9 authorization database; and

10 (k) \$621,000 for fiscal year 2022 and \$635,000 for fiscal year  
11 2023 to the department of agriculture for compliance-based laboratory  
12 analysis of pesticides in cannabis.

13 (2) Subsections (1)(a) through (g) of this section must be  
14 adjusted annually based on the United States bureau of labor  
15 statistics' consumer price index for the Seattle area.

16 (3) After appropriation of the amounts identified in subsection  
17 (1) of this section, the legislature must annually appropriate such  
18 remaining amounts for the purposes listed in this subsection (3) as  
19 follows:

20 (a) Fifty-two percent to the state basic health plan trust  
21 account to be administered by the Washington basic health plan  
22 administrator and used as provided under chapter 70.47 RCW;

23 (b) Eleven percent to the health care authority to:

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

39 (ii) Develop, implement, maintain, and evaluate programs and  
40 practices aimed at the prevention or reduction of maladaptive

1 substance use, substance use disorder, substance abuse or substance  
2 dependence, as these terms are defined in the diagnostic and  
3 statistical manual of mental disorders, among middle school and high  
4 school-age students, whether as an explicit goal of a given program  
5 or practice or as a consistently corresponding effect of its  
6 implementation, mental health services for children and youth, and  
7 services for pregnant and parenting women. In deciding which programs  
8 and practices to fund under this subsection (3)(b)(ii), the director  
9 of the health care authority must consult, at least annually, with  
10 the University of Washington's social development research group and  
11 the University of Washington's alcohol and drug abuse institute; and

12 (iii) Contract with community health centers to provide primary  
13 health and dental care services, migrant health services, and  
14 maternity health care services as provided under RCW 41.05.220;

15 (c)(i) One and one-half percent to counties, cities, and towns  
16 where licensed cannabis retailers are physically located. Each  
17 jurisdiction must receive a share of the revenue distribution under  
18 this subsection (3)(c)(i) based on the proportional share of the  
19 total revenues generated in the individual jurisdiction from the  
20 taxes collected under RCW 69.50.535, from licensed cannabis retailers  
21 physically located in each jurisdiction. For purposes of this  
22 subsection (3)(c), 100 percent of the proportional amount attributed  
23 to a retailer physically located in a city or town must be  
24 distributed to the city or town;

25 (ii) Three and one-half percent to counties, cities, and towns  
26 ratably on a per capita basis. Counties must receive 60 percent of  
27 the distribution based on each county's total proportional  
28 population. Funds may only be distributed to jurisdictions that do  
29 not prohibit the siting of any state licensed cannabis producer,  
30 processor, or retailer;

31 (iii) By September 15th of each year, the board must provide the  
32 state treasurer the annual distribution amount made under this  
33 subsection (3)(c), if any, for each county and city as determined in  
34 (c)(i) and (ii) of this subsection; and

35 (iv) Distribution amounts allocated to each county, city, and  
36 town in (c)(i) and (ii) of this subsection must be distributed in  
37 four installments by the last day of each fiscal quarter; and

38 (d) Thirty-two percent must be deposited in the state general  
39 fund.

1 (4) Until July 1, 2032, an amount equivalent to the total  
2 cannabis excise taxes generated by retail outlets in cities, towns,  
3 and counties that, on the effective date of this section, have a ban  
4 or moratorium on the operation or siting of cannabis retailers and  
5 have no cannabis retailers operating in their jurisdiction, and that,  
6 after the effective date of this section, authorize cannabis retail  
7 activity in accordance with section 1 of this act, must be disbursed  
8 annually as follows:

9 (a) 50 percent of funds must be used to support substance abuse  
10 disorder prevention treatment services including development of best  
11 practices for programs and services; and

12 (b) 50 percent of funds must be used for cannabis research  
13 including research conducted by the University of Washington and  
14 Washington State University under subsection (1)(f) of this section.

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