
SENATE BILL 5404

State of Washington

68th Legislature

2023 Regular Session

By Senators Wagoner and C. Wilson

Read first time 01/16/23. Referred to Committee on Labor & Commerce.

1 AN ACT Relating to increasing cannabis revenue distributions to
2 local governments; and reenacting and amending RCW 69.50.540.

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

4 **Sec. 1.** RCW 69.50.540 and 2022 c 169 s 2 and 2022 c 16 s 102 are
5 each reenacted and amended to read as follows:

6 (1) For the purposes of this subsection (1), the legislature must
7 appropriate the amounts provided in this subsection:

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

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

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

15 (A) A cannabis use public health hotline that provides referrals
16 to substance abuse treatment providers, uses evidence-based or
17 research-based public health approaches to minimizing the harms
18 associated with cannabis use, and does not solely advocate an
19 abstinence-only approach;

20 (B) Programs that support development and implementation of
21 coordinated intervention strategies for the prevention and reduction

1 of commercial tobacco, vapor product, and cannabis use by youth and
2 cannabis cessation treatment services, including grant programs to
3 local health departments or other local community agencies;

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

9 (D) Outreach to priority populations regarding commercial
10 tobacco, vapor product, and cannabis use, prevention, and cessation;
11 and

12 (ii) The Washington poison control center;

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

15 (ii) \$200,000 annually to the department of commerce to fund
16 technical assistance through a roster of mentors under RCW
17 43.330.540;

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

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

27 (f) \$300,000 annually to the University of Washington and
28 \$175,000 annually to the Washington State University for research on
29 the short-term and long-term effects of cannabis use to include, but
30 not be limited to, formal and informal methods for estimating and
31 measuring intoxication and impairments, and for the dissemination of
32 such research;

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

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

1 (i) \$270,000 for fiscal year 2022 and \$290,000 for fiscal year
2 2023 to the department of ecology for implementation of accreditation
3 of cannabis product testing laboratories;

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

7 (k) \$621,000 for fiscal year 2022 and \$635,000 for fiscal year
8 2023 to the department of agriculture for compliance-based laboratory
9 analysis of pesticides in cannabis.

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

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

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

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

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

36 (ii) Develop, implement, maintain, and evaluate programs and
37 practices aimed at the prevention or reduction of maladaptive
38 substance use, substance use disorder, substance abuse or substance
39 dependence, as these terms are defined in the diagnostic and
40 statistical manual of mental disorders, among middle school and high

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

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

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

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

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

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

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

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