
**Community & Economic Development
Committee**

HB 1827

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

Sponsors: Representatives Morgan, Simmons, Ormsby, Harris-Talley and Kloba; by request of Office of the Governor.

Brief Summary of Bill

- Requires \$125 million to be transferred from the Dedicated Marijuana Account into the Community Reinvestment Account and appropriated to the Department of Commerce to establish a cannabis equity grant program, beginning in fiscal year 2023 and each year thereafter.

Hearing Date: 1/19/22

Staff: Cassie Jones (786-7303).

Background:

The Dedicated Marijuana Account is an appropriated account. All moneys received by the Liquor and Cannabis Board from marijuana-related activities must be deposited in this account. These moneys include marijuana excise taxes collected from 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, unappropriated amounts in the Dedicated Marijuana Account are transferred to the State General Fund.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill:

Beginning in fiscal year 2023, and each fiscal year thereafter, \$125 million must be transferred into the Community Reinvestment Account (Account) and appropriated to the Department of Commerce to establish a cannabis equity grant program.

The Account is created in the State Treasury. Moneys in the Account may be spent only after appropriation. 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 postconviction relief and case assistance, including the expungement of criminal records and vacation of criminal convictions;
- community-based violence intervention and prevention services; and
- reentry services to facilitate successful transitions for persons formerly incarcerated in an adult correctional facility or juvenile residential facility in Washington.

The Account is added to the statutory list of accounts that receive their proportionate share of earnings based on average daily balance.

Appropriation: None.

Fiscal Note: Requested on January 11, 2022.

Effective Date: This 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.