
HOUSE BILL 1165

State of Washington

64th Legislature

2015 Regular Session

By Representatives Condotta, Reykdal, Holy, Scott, Vick, Magendanz, Hargrove, Harmsworth, Senn, Tharinger, Springer, Muri, and Rodne

Read first time 01/14/15. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to the establishment of a dedicated local
2 jurisdiction marijuana fund and the distribution of a specified
3 percentage of marijuana excise tax revenues to local jurisdictions;
4 amending RCW 69.50.530, 69.50.535, and 69.50.540; providing an
5 effective date; and declaring an emergency.

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

7 **Sec. 1.** RCW 69.50.530 and 2013 c 3 s 26 are each amended to read
8 as follows:

9 (1) ~~((There shall be))~~ (a) Except as otherwise provided in (b) of
10 this subsection, there must be a fund, known as the dedicated
11 marijuana fund, which ~~((shall))~~ consists of all marijuana excise
12 taxes, license fees, penalties, forfeitures, and all other moneys,
13 income, or revenue received by the state liquor control board from
14 marijuana-related activities. The state treasurer ~~((shall))~~ must be
15 custodian of the fund.

16 (b) There must be a fund, known as the dedicated local
17 jurisdiction marijuana fund, which consists of marijuana excise taxes
18 collected under RCW 69.50.535(3). The state treasurer must be
19 custodian of the fund.

20 (2) All moneys received by the state liquor control board or any
21 employee thereof from marijuana-related activities ~~((shall))~~ must be

1 deposited each day in a depository approved by the state treasurer
2 and transferred to the state treasurer to be credited to the
3 dedicated marijuana fund or the dedicated local jurisdiction
4 marijuana fund.

5 (3) Disbursements from the dedicated marijuana fund (~~shall~~) or
6 the dedicated local jurisdiction marijuana fund must be on
7 authorization of the state liquor control board or a duly authorized
8 representative thereof.

9 **Sec. 2.** RCW 69.50.535 and 2014 c 192 s 7 are each amended to
10 read as follows:

11 (1) There is levied and collected a marijuana excise tax equal to
12 twenty-five percent of the selling price on each wholesale sale in
13 this state of marijuana by a licensed marijuana producer to a
14 licensed marijuana processor or another licensed marijuana producer.
15 This tax is the obligation of the licensed marijuana producer.

16 (2) There is levied and collected a marijuana excise tax equal to
17 twenty-five percent of the selling price on each wholesale sale in
18 this state of marijuana concentrates, useable marijuana, and
19 marijuana-infused products by a licensed marijuana processor to a
20 licensed marijuana retailer. This tax is the obligation of the
21 licensed marijuana processor.

22 (3) There is levied and collected a marijuana excise tax equal to
23 twenty-five percent of the selling price on each retail sale in this
24 state of marijuana concentrates, useable marijuana, and marijuana-
25 infused products. This tax is the obligation of the licensed
26 marijuana retailer, is separate and in addition to general state and
27 local sales and use taxes that apply to retail sales of tangible
28 personal property, and is part of the total retail price to which
29 general state and local sales and use taxes apply.

30 (4) All revenues collected from the marijuana excise taxes
31 imposed under subsections (1) through (3) of this section shall be
32 deposited each day in a depository approved by the state treasurer
33 and transferred to the state treasurer to be credited (~~to the~~
34 ~~dedicated~~) as follows:

35 (a) Ninety percent of the revenue collected from the marijuana
36 excise tax imposed under subsection (1) of this section must be
37 credited to the dedicated marijuana fund, and ten percent of the
38 revenue collected under subsection (1) of this section must be
39 credited to the dedicated local jurisdiction marijuana fund.

1 (b) All revenue collected from the marijuana excise tax imposed
2 under subsection (2) of this section must be credited to the
3 dedicated marijuana fund.

4 (c) Eighty percent of the revenue collected from the marijuana
5 excise tax imposed under subsection (3) of this section must be
6 credited to the dedicated marijuana fund, and twenty percent of the
7 revenue collected under subsection (3) of this section must be
8 credited to the dedicated local jurisdiction marijuana fund.

9 (5) The state liquor control board (~~shall~~) must regularly
10 review the tax levels established under this section and make
11 recommendations to the legislature as appropriate regarding
12 adjustments that would further the goal of discouraging use while
13 undercutting illegal market prices.

14 **Sec. 3.** RCW 69.50.540 and 2013 c 3 s 28 are each amended to read
15 as follows:

16 (1) All marijuana excise taxes collected from sales of marijuana,
17 useable marijuana, and marijuana-infused products under RCW
18 69.50.535, and the license fees, penalties, and forfeitures derived
19 under chapter 3, Laws of 2013 from marijuana producer, marijuana
20 processor, and marijuana retailer licenses (~~shall~~) deposited in the
21 dedicated marijuana fund must every three months be disbursed by the
22 state liquor control board as follows:

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

1 ~~((2))~~ (b) Fifty thousand dollars to the department of social
2 and health services for the purpose of contracting with the
3 Washington state institute for public policy to conduct the cost-
4 benefit evaluation and produce the reports described in RCW
5 69.50.550. This appropriation ~~((shall))~~ ends after production of the
6 final report required by RCW 69.50.550;

7 ~~((3))~~ (c) Five thousand dollars to the University of Washington
8 alcohol and drug abuse institute for the creation, maintenance, and
9 timely updating of web-based public education materials providing
10 medically and scientifically accurate information about the health
11 and safety risks posed by marijuana use;

12 ~~((4))~~ (d) An amount not exceeding one million two hundred fifty
13 thousand dollars to the state liquor control board as is necessary
14 for administration of chapter 3, Laws of 2013;

15 ~~((5))~~ (e) Of the funds remaining after the disbursements
16 identified in ~~((subsections—(1)))~~ (a) through ~~((4))~~ (d) of this
17 ~~((section))~~ subsection:

18 ~~((a))~~ (i) Fifteen percent to the department of social and
19 health services division of behavioral health and recovery for
20 implementation and maintenance of programs and practices aimed at the
21 prevention or reduction of maladaptive substance use, substance-use
22 disorder, substance abuse or substance dependence, as these terms are
23 defined in the Diagnostic and Statistical Manual of Mental Disorders,
24 among middle school and high school age students, whether as an
25 explicit goal of a given program or practice or as a consistently
26 corresponding effect of its implementation; PROVIDED, That:

27 ~~((i))~~ (A) Of the funds disbursed under ~~((a))~~ (e)(i) of this
28 subsection, at least eighty-five percent must be directed to
29 evidence-based and cost-beneficial programs and practices that
30 produce objectively measurable results; and

31 ~~((ii))~~ (B) Up to fifteen percent of the funds disbursed under
32 ~~((a))~~ (e)(i) of this subsection may be directed to research-based
33 and emerging best practices or promising practices.

34 In deciding which programs and practices to fund, the secretary
35 of the department of social and health services ~~((shall))~~ must
36 consult, at least annually, with the University of Washington's
37 social development research group and the University of Washington's
38 alcohol and drug abuse institute;

1 ~~((b))~~ (ii) Ten percent to the department of health for the
2 creation, implementation, operation, and management of a marijuana
3 education and public health program that contains the following:

4 ~~((i))~~ (A) A marijuana use public health hotline that provides
5 referrals to substance abuse treatment providers, utilizes evidence-
6 based or research-based public health approaches to minimizing the
7 harms associated with marijuana use, and does not solely advocate an
8 abstinence-only approach;

9 ~~((ii))~~ (B) A grants program for local health departments or
10 other local community agencies that supports development and
11 implementation of coordinated intervention strategies for the
12 prevention and reduction of marijuana use by youth; and

13 ~~((iii))~~ (C) Media-based education campaigns across television,
14 internet, radio, print, and out-of-home advertising, separately
15 targeting youth and adults, that provide medically and scientifically
16 accurate information about the health and safety risks posed by
17 marijuana use;

18 ~~((e))~~ (iii) Six-tenths of one percent to the University of
19 Washington and four-tenths of one percent to Washington State
20 University for research on the short and long-term effects of
21 marijuana use, to include but not be limited to formal and informal
22 methods for estimating and measuring intoxication and impairment, and
23 for the dissemination of such research;

24 ~~((d))~~ (iv) Fifty percent to the state basic health plan trust
25 account to be administered by the Washington basic health plan
26 administrator and used as provided under chapter 70.47 RCW;

27 ~~((e))~~ (v) Five percent to the Washington state health care
28 authority to be expended exclusively through contracts with community
29 health centers to provide primary health and dental care services,
30 migrant health services, and maternity health care services as
31 provided under RCW 41.05.220;

32 ~~((f))~~ (vi) Three-tenths of one percent to the office of the
33 superintendent of public instruction to fund grants to building
34 bridges programs under chapter 28A.175 RCW; and

35 ~~((g))~~ (vii) The remainder to the general fund.

36 (2) All marijuana excise taxes from sales of marijuana, useable
37 marijuana, and marijuana-infused products that are collected and
38 deposited under RCW 69.50.535 in the dedicated local jurisdiction
39 marijuana fund must be disbursed every three months by the state
40 liquor control board as follows:

1 (a) All marijuana excise taxes collected and deposited under RCW
2 69.50.535(1) in the dedicated local jurisdiction marijuana fund must
3 be disbursed to the local jurisdiction where the marijuana producer
4 is physically located. Each local jurisdiction must receive revenue
5 distributions based on the proportional share of the total revenues
6 in the dedicated local jurisdiction marijuana fund from the taxes
7 collected under RCW 69.50.535(1) from producers physically located in
8 each local jurisdiction; and

9 (b) All marijuana excise taxes collected and deposited under RCW
10 69.50.535(3) in the dedicated local jurisdiction marijuana fund must
11 be disbursed to the local jurisdiction where the retail sale
12 originated. Each local jurisdiction with retail sales must receive
13 revenue distributions based on its proportional amount of the total
14 revenues from the excise tax imposed under RCW 69.50.535(3) in the
15 dedicated local jurisdiction marijuana fund from retail sales in its
16 jurisdiction.

17 (3) For the purposes of this section, "local jurisdiction" means
18 a city, town, or county.

19 NEW SECTION. Sec. 4. This act is necessary for the immediate
20 preservation of the public peace, health, or safety, or support of
21 the state government and its existing public institutions, and takes
22 effect July 1, 2015.

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