$_{\rm H}$	$\cap$	8	$\cap$	2	2
$\Pi$	U	$^{\circ}$	U	$\sim$	_

## HOUSE BILL 1641

State of Washington 68th Legislature 2023 Regular Session

By Representatives Davis, Dent, Leavitt, Harris, Callan, Eslick, Walen, and Ortiz-Self

- AN ACT Relating to enacting policy solutions to address public health challenges of high-potency cannabis products; amending RCW 69 50 535 69 50 369 69 50 357 and 69 50 346; and reenacting and
- 3 69.50.535, 69.50.369, 69.50.357, and 69.50.346; and reenacting and
- 4 amending RCW 69.50.540.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 **Sec. 1.** RCW 69.50.535 and 2022 c 16 s 101 are each amended to read as follows:
- 8 (1)(a) There is levied and collected a cannabis excise tax equal 9 to ((thirty-seven)):
- 10 <u>(i) 37</u> percent of the selling price on each retail sale in this 11 state of ((<del>cannabis concentrates, useable cannabis, and</del>)) cannabis-
- 12 infused products, useable cannabis with a THC concentration less than
- 13 35 percent, and cannabis concentrates with a THC concentration less
- 14 than 35 percent;
- 15 (ii) 50 percent of the selling price on each retail sale in this
- 16 state of cannabis concentrates and useable cannabis with a THC
- 17 <u>concentration of 35 percent or greater but less than 60 percent; and</u>
- 18 <u>(iii)</u> 65 percent of the selling price on each retail sale in this
- 19 state of cannabis concentrates and useable cannabis with a THC
- 20 <u>concentration greater than 60 percent</u>.

p. 1 HB 1641

(b) This tax is separate and in addition to general state and local sales and use taxes that apply to retail sales of tangible personal property, and is not part of the total retail price to which general state and local sales and use taxes apply. The tax must be separately itemized from the state and local retail sales tax on the sales receipt provided to the buyer.

- ((\(\frac{(\frac{(b)}{(c)})}{c}\)) (c) The tax levied in this section must be reflected in the price list or quoted shelf price in the licensed cannabis retail store and in any advertising that includes prices for all useable cannabis, cannabis concentrates, or cannabis-infused products.
- (2) All revenues collected from the cannabis excise tax imposed under this section must be deposited each day in the dedicated cannabis account.
- (3) The tax imposed in this section must be paid by the buyer to the seller. Each seller must collect from the buyer the full amount of the tax payable on each taxable sale. The tax collected as required by this section is deemed to be held in trust by the seller until paid to the board. If any seller fails to collect the tax imposed in this section or, having collected the tax, fails to pay it as prescribed by the board, whether such failure is the result of the seller's own acts or the result of acts or conditions beyond the seller's control, the seller is, nevertheless, personally liable to the state for the amount of the tax.
- (4) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.
  - (a) "Board" means the state liquor and cannabis board.
  - (b) "Retail sale" has the same meaning as in RCW 82.08.010.
  - (c) "Selling price" has the same meaning as in RCW 82.08.010, except that when product is sold under circumstances where the total amount of consideration paid for the product is not indicative of its true value, "selling price" means the true value of the product sold.
  - (d) "Product" means cannabis, cannabis concentrates, useable cannabis, and cannabis-infused products.
  - (e) "True value" means market value based on sales at comparable locations in this state of the same or similar product of like quality and character sold under comparable conditions of sale to comparable purchasers. However, in the absence of such sales of the same or similar product, true value means the value of the product sold as determined by all of the seller's direct and indirect costs attributable to the product.

p. 2 HB 1641

(5) (a) The board must regularly review the tax level established under this section and make recommendations, in consultation with the department of revenue, to the legislature as appropriate regarding adjustments that would further the goal of discouraging use while undercutting illegal market prices.

1

2

3

4

5

6

7

8

19

32

33

3435

36

3738

- (b) The board must report, in compliance with RCW 43.01.036, to the appropriate committees of the legislature every two years. The report at a minimum must include the following:
- 9 (i) The specific recommendations required under (a) of this 10 subsection;
- 11 (ii) A comparison of gross sales and tax collections prior to and 12 after any cannabis tax change;
- 13 (iii) The increase or decrease in the volume of legal cannabis 14 sold prior to and after any cannabis tax change;
- 15 (iv) Increases or decreases in the number of licensed cannabis 16 producers, processors, and retailers;
- 17 (v) The number of illegal and noncompliant cannabis outlets the 18 board requires to be closed;
  - (vi) Gross cannabis sales and tax collections in Oregon; and
- (vii) The total amount of reported sales and use taxes exempted for qualifying patients. The department of revenue must provide the data of exempt amounts to the board.
- 23 (c) The board is not required to report to the legislature as 24 required in (b) of this subsection after January 1, 2025.
- 25 (6) The legislature does not intend and does not authorize any 26 person or entity to engage in activities or to conspire to engage in 27 activities that would constitute per se violations of state and 28 federal antitrust laws including, but not limited to, agreements 29 among retailers as to the selling price of any goods sold.
- 30 **Sec. 2.** RCW 69.50.369 and 2022 c 16 s 75 are each amended to 31 read as follows:
  - (1) (a) No licensed cannabis producer, processor, researcher, or retailer may place or maintain, or cause to be placed or maintained, any sign or other advertisement for a cannabis business or cannabis product, including useable cannabis, cannabis concentrates, or cannabis-infused product, in any form or through any medium whatsoever within one thousand feet of the perimeter of a school grounds, playground, recreation center or facility, child care

p. 3 HB 1641

center, public park, or library, or any game arcade admission to which is not restricted to persons aged twenty-one years or older.

- (b) (i) No person including, but not limited to, a cannabis producer, processor, researcher, transporter, or retailer may place, maintain, or distribute, or cause to be placed, maintained, or distributed, any advertisement or marketing material, in any form or through any medium whatsoever, for a product that contains greater than 35 percent total tetrahydrocannabinol.
- (ii) The prohibition in this subsection (1) (b) applies to all forms of marketing and advertising including but not limited to marketing or advertising on web pages, social media, point-of-sale materials in retail outlets, radio, television, email, text messages, flyers, event promotion signs, mail, signs, billboards, and all other forms of advertising or marketing.
- (iii) For purposes of this subsection (1)(b), the term "percent total tetrahydrocannabinol" means percent of tetrahydrocannabinol content, including any hydrogenated or structural isomer forms of THC, of any part of the plant Cannabis, or per volume or weight of cannabis product, or the combined percent of tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant Cannabis regardless of moisture content.
- (2) Except for the use of billboards as authorized under this section, licensed cannabis retailers may not display any signage outside of the licensed premises, other than two signs identifying the retail outlet by the licensee's business or trade name, stating the location of the business, and identifying the nature of the business. Each sign must be no larger than one thousand six hundred square inches and be permanently affixed to a building or other structure. The location and content of the retail cannabis signs authorized under this subsection are subject to all other requirements and restrictions established in this section for indoor signs, outdoor signs, and other cannabis-related advertising methods.
- (3) A cannabis licensee may not utilize transit advertisements for the purpose of advertising its business or product line. "Transit advertisements" means advertising on or within private or public vehicles and all advertisements placed at, on, or within any bus stop, taxi stand, transportation waiting area, train station, airport, or any similar transit-related location.

p. 4 HB 1641

- (4) A cannabis licensee may not engage in advertising or other marketing practice that specifically targets persons residing outside of the state of Washington.
- (5) All signs, billboards, or other print advertising for cannabis businesses or cannabis products must contain text stating that cannabis products may be purchased or possessed only by persons twenty-one years of age or older.
  - (6) A cannabis licensee may not:

- (a) Take any action, directly or indirectly, to target youth in the advertising, promotion, or marketing of cannabis and cannabis products, or take any action the primary purpose of which is to initiate, maintain, or increase the incidence of youth use of cannabis or cannabis products;
- (b) Use objects such as toys or inflatables, movie or cartoon characters, or any other depiction or image likely to be appealing to youth, where such objects, images, or depictions indicate an intent to cause youth to become interested in the purchase or consumption of cannabis products; or
- (c) Use or employ a commercial mascot outside of, and in proximity to, a licensed cannabis business. A "commercial mascot" means live human being, animal, or mechanical device used for attracting the attention of motorists and passersby so as to make them aware of cannabis products or the presence of a cannabis business. Commercial mascots include, but are not limited to, inflatable tube displays, persons in costume, or wearing, holding, or spinning a sign with a cannabis-related commercial message or image, where the intent is to draw attention to a cannabis business or its products.
- (7) A cannabis licensee that engages in outdoor advertising is subject to the advertising requirements and restrictions set forth in this subsection (7) and elsewhere in this chapter.
- (a) All outdoor advertising signs, including billboards, are limited to text that identifies the retail outlet by the licensee's business or trade name, states the location of the business, and identifies the type or nature of the business. Such signs may not contain any depictions of cannabis plants, cannabis products, or images that might be appealing to children. The board is granted rule-making authority to regulate the text and images that are permissible on outdoor advertising. Such rule making must be

p. 5 HB 1641

consistent with other administrative rules generally applicable to the advertising of cannabis businesses and products.

(b) Outdoor advertising is prohibited:

- (i) On signs and placards in arenas, stadiums, shopping malls, fairs that receive state allocations, farmers markets, and video game arcades, whether any of the foregoing are open air or enclosed, but not including any such sign or placard located in an adult only facility; and
- (ii) Billboards that are visible from any street, road, highway, right-of-way, or public parking area are prohibited, except as provided in (c) of this subsection.
  - (c) Licensed retail outlets may use a billboard or outdoor sign solely for the purpose of identifying the name of the business, the nature of the business, and providing the public with directional information to the licensed retail outlet. Billboard advertising is subject to the same requirements and restrictions as set forth in (a) of this subsection.
- (d) Advertising signs within the premises of a retail cannabis business outlet that are visible to the public from outside the premises must meet the signage regulations and requirements applicable to outdoor signs as set forth in this section.
- (e) The restrictions and regulations applicable to outdoor advertising under this section are not applicable to:
- (i) An advertisement inside a licensed retail establishment that sells cannabis products that is not placed on the inside surface of a window facing outward; or
- (ii) An outdoor advertisement at the site of an event to be held at an adult only facility that is placed at such site during the period the facility or enclosed area constitutes an adult only facility, but in no event more than fourteen days before the event, and that does not advertise any cannabis product other than by using a brand name to identify the event.
- (8) Merchandising within a retail outlet is not advertising for the purposes of this section.
  - (9) This section does not apply to a noncommercial message.
  - (10)(a) The board must:
- 37 (i) Adopt rules implementing this section and specifically 38 including provisions regulating the billboards and outdoor signs 39 authorized under this section; and

p. 6 HB 1641

(ii) Fine a licensee one thousand dollars for each violation of this section until the board adopts rules prescribing penalties for violations of this section. The rules must establish escalating penalties including fines and up to suspension or revocation of a cannabis license for subsequent violations.

1

2

3

4

5

1516

17

18

19

20

21

22

24

25

2627

28

2930

- 6 (b) Fines collected under this subsection must be deposited into 7 the dedicated cannabis account created under RCW 69.50.530.
- 8 (11) A city, town, or county may adopt rules of outdoor 9 advertising by licensed cannabis retailers that are more restrictive 10 than the advertising restrictions imposed under this chapter. 11 Enforcement of restrictions to advertising by a city, town, or county 12 is the responsibility of the city, town, or county.
- 13 **Sec. 3.** RCW 69.50.357 and 2022 c 16 s 71 are each amended to 14 read as follows:
  - (1) (a) Retail outlets may not sell products or services other than cannabis concentrates, useable cannabis, cannabis-infused products, or paraphernalia intended for the storage or use of cannabis concentrates, useable cannabis, or cannabis-infused products.
  - (b)(i) Retail outlets may receive lockable boxes, intended for the secure storage of cannabis products and paraphernalia, and related literature as a donation from another person or entity, that is not a cannabis producer, processor, or retailer, for donation to their customers.
  - (ii) Retail outlets may donate the lockable boxes and provide the related literature to any person eligible to purchase cannabis products under subsection (2) of this section. Retail outlets may not use the donation of lockable boxes or literature as an incentive or as a condition of a recipient's purchase of a cannabis product or paraphernalia.
- 31 (iii) Retail outlets may also purchase and sell lockable boxes, 32 provided that the sales price is not less than the cost of 33 acquisition.
- 34 <u>(c)(i) Retail outlets may not sell a cannabis product with</u>
  35 <u>greater than 35 percent total tetrahydrocannabinol to a person who is</u>
  36 <u>under age 25 who is not a qualifying patient or designated provider.</u>
- (ii) For purposes of this subsection (1)(c), the term "percent total tetrahydrocannabinol" means percent of tetrahydrocannabinol content, including any hydrogenated or structural isomer forms of

p. 7 HB 1641

- THC, of any part of the plant *Cannabis*, or per volume or weight of cannabis product, or the combined percent of tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant *Cannabis* regardless of moisture content.
- 5 <u>(iii) Violations of this subsection (1)(c) are subject to the</u> 6 <u>following penalties:</u>

- (A) A five-day suspension or \$500 penalty for a first violation;
- 8 <u>(B) A seven-day suspension for a second violation during a two-</u> 9 year period;
- 10 <u>(C) A 30-day suspension for a third violation in a two-year</u> 11 period; and
- 12 <u>(D) Cancellation of license for a fourth violation in a two-year</u> 13 period.
  - (2) Licensed cannabis retailers may not employ persons under twenty-one years of age or allow persons under twenty-one years of age to enter or remain on the premises of a retail outlet. However, qualifying patients between eighteen and twenty-one years of age with a recognition card may enter and remain on the premises of a retail outlet holding a medical cannabis endorsement and may purchase products for their personal medical use. Qualifying patients who are under the age of eighteen with a recognition card and who accompany their designated providers may enter and remain on the premises of a retail outlet holding a medical cannabis endorsement, but may not purchase products for their personal medical use.
  - (3) (a) Licensed cannabis retailers must ensure that all employees are trained on the rules adopted to implement this chapter, identification of persons under the age of twenty-one, and other requirements adopted by the board to ensure that persons under the age of twenty-one are not permitted to enter or remain on the premises of a retail outlet.
  - (b) Licensed cannabis retailers with a medical cannabis endorsement must ensure that all employees are trained on the subjects required by (a) of this subsection as well as identification of authorizations and recognition cards. Employees must also be trained to permit qualifying patients who hold recognition cards and are between the ages of eighteen and twenty-one to enter the premises and purchase cannabis for their personal medical use and to permit qualifying patients who are under the age of eighteen with a recognition card to enter the premises if accompanied by their designated providers.

p. 8 HB 1641

(4) Except for the purposes of disposal as authorized by the board, no licensed cannabis retailer or employee of a retail outlet may open or consume, or allow to be opened or consumed, any cannabis concentrates, useable cannabis, or cannabis-infused product on the outlet premises.

- (5) ((The)) (a) Cannabis retailers must provide point-of-sale information to consumers who purchase any cannabis products, except for useable cannabis, that must include accurate information about the potential harms of consuming high-THC products, including cannabis use disorder, psychotic disorders, and cannabinoid hyperemesis syndrome, populations at elevated risk of experiencing such potential harms, comparative dosing, how to read a label on a cannabis product, where to find help if the consumer feels negative effects, and resources for quitting or reducing cannabis consumption.
- (b) The board must develop optional training for cannabis retail staff who want to better understand the point-of-sale information required to be provided to consumers by this subsection (5). In developing the optional training, the board must consult with cannabis retail staff, consumers, persons who have been harmed from high-THC products, prevention professionals, behavioral health treatment providers, and youth advocates.
- (6) Except for subsection (1)(c) of this section, the board must fine a licensee one thousand dollars for each violation of any subsection of this section. Fines collected under this section must be deposited into the dedicated cannabis account created under RCW 69.50.530.
- **Sec. 4.** RCW 69.50.346 and 2022 c 16 s 66 are each amended to 28 read as follows:
  - (1) The label on a cannabis product container, including cannabis concentrates, useable cannabis, or cannabis-infused products, sold at retail must include:
    - (a) The business or trade name and Washington state unified business identifier number of the cannabis producer and processor;
      - (b) The lot numbers of the product;
      - (c) The THC concentration and CBD concentration of the product;
- 36 (d) Medically and scientifically accurate and reliable 37 information about the health and safety risks posed by cannabis use;
  - (e) Language required by RCW 69.04.480; and
  - (f) A disclaimer, subject to the following conditions:

p. 9 HB 1641

- (i) Where there is one statement made under subsection (2) of this section, or as described in subsection (5)(b) of this section, the disclaimer must state "This statement has not been evaluated by the State of Washington. This product is not intended to diagnose, treat, cure, or prevent any disease."; and
- (ii) Where there is more than one statement made under subsection (2) of this section, or as described in subsection (5)(b) of this section, the disclaimer must state "These statements have not been evaluated by the State of Washington. This product is not intended to diagnose, treat, cure, or prevent any disease."
- (2) (a) For cannabis products that have been identified by the department in rules adopted under RCW 69.50.375(4) in chapter 246-70 WAC as being a compliant cannabis product, the product label and labeling may include a structure or function claim describing the intended role of a product to maintain the structure or any function of the body, or characterize the documented mechanism by which the product acts to maintain such structure or function, provided that the claim is truthful and not misleading.
- 19 (b) A statement made under (a) of this subsection may not claim 20 to diagnose, mitigate, treat, cure, or prevent any disease.
  - (3) The labels and labeling may not be:
  - (a) False or misleading; or

- (b) Especially appealing to children.
- (4) The label is not required to include the business or trade name or Washington state unified business identifier number of, or any information about, the cannabis retailer selling the cannabis product.
- (5) A cannabis product is not in violation of any Washington state law or rule of the board solely because its label or labeling contains:
  - (a) Directions or recommended conditions of use; or
- 32 (b) A warning describing the psychoactive effects of the cannabis 33 product, provided that the warning is truthful and not misleading.
  - (6) This section does not create any civil liability on the part of the state, the board, any other state agency, officer, employee, or agent based on a cannabis licensee's description of a structure or function claim or the product's intended role under subsection (2) of this section.
- 39 (7) (a) A cannabis product that contains greater than 35 percent 40 total tetrahydrocannabinol must include a mandatory health warning

p. 10 HB 1641

label on the product container, in addition to other label information required under this chapter. The mandatory health warning label must be in a font size no smaller than 10-point font, use contrasting colors, and be placed in a prominent location that occupies at least 40 percent of the product container.

- (b) The University of Washington's addictions, drug and alcohol institute in consultation with the board and persons with expertise in public health must develop the content of the mandatory health warning label required under this subsection (7). The content must be tested for comprehension and clarity among persons between the ages of 21 and 24 years old, persons reporting mental health challenges, and persons who identify with historically marginalized groups. The content must include language enumerating the risks associated with the use of high-THC cannabis products such as acute psychotic symptoms, development of psychotic disorders, cannabinoid hyperemesis syndrome, and cannabis use disorder.
- (c) For purposes of this subsection (7) and subsection (8) of this section, the term "total tetrahydrocannabinol" means the percent of tetrahydrocannabinol content, including any hydrogenated or structural isomer forms of THC, of any part of the plant Cannabis, or per volume or weight of cannabis product, or the combined percent of tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant Cannabis regardless of moisture content.
- (8) All cannabis products offered or sold to a consumer must be labeled with the number of serving units of tetrahydrocannabinol included in the package. A single serving unit of tetrahydrocannabinol is 10 milligrams of total tetrahydrocannabinol for purposes of this section. A cannabis product offered or sold in a package that contains more than a single serving unit of tetrahydrocannabinol must be labeled with text stating "CONTAINS MULTIPLE SERVINGS" and identify the number of total serving units in the container. Label information required by this subsection must be displayed on the cannabis product container in black ink with a white background and in a minimum font size of 10-point font.
- (9) In addition to other labeling requirements in this chapter, all cannabis products offered or sold to a consumer must be labeled with an expression of a standard tetrahydrocannabinol unit in volume or amount of product to help a consumer understand or visualize how much of the product to consume for a single serving unit of tetrahydrocannabinol. The board must establish permissible text or

p. 11 HB 1641

- 1 <u>images that cannabis licensees may include on product packages to</u>
- 2 comply with this subsection. By way of example, a permissible
- 3 <u>expression of a standard tetrahydrocannabinol unit in volume or</u>
- 4 amount of product for a cannabis product intended to be consumed by
- 5 <u>inhalation could specify that a serving size should not exceed one</u>
- 6 <u>inhalation lasting two seconds per serving.</u>
- 7 (10) Nothing in this section shall apply to a drug, as defined in
- 8 RCW 69.50.101, or a pharmaceutical product approved by the United
- 9 States food and drug administration.

22

23

24

25

26

2728

2930

31

32

33 34

35

39

- 10 **Sec. 5.** RCW 69.50.540 and 2022 c 169 s 2 and 2022 c 16 s 102 are 11 each reenacted and amended to read as follows:
- 12 (1) For the purposes of this subsection (1), the legislature must 13 appropriate the amounts provided in this subsection:
- 14 (a) \$12,500,000 annually to the board for administration of this 15 chapter as appropriated in the omnibus appropriations act;
- 16 (b) \$11,000,000 annually to the department of health for the following:
- 18 (i) Creation, implementation, operation, and management of a 19 cannabis, vapor product, and commercial tobacco education and public 20 health program that contains the following:
  - (A) A cannabis use public health hotline that provides referrals to substance abuse treatment providers, uses evidence-based or research-based public health approaches to minimizing the harms associated with cannabis use, and does not solely advocate an abstinence-only approach;
  - (B) Programs that support development and implementation of coordinated intervention strategies for the prevention and reduction of commercial tobacco, vapor product, and cannabis use by youth and cannabis cessation treatment services, including grant programs to local health departments or other local community agencies;
  - (C) Media-based education campaigns across television, internet, radio, print, and out-of-home advertising, separately targeting youth and adults, that provide medically and scientifically accurate information about the health and safety risks posed by cannabis use; and
- 36 (D) Outreach to priority populations regarding commercial 37 tobacco, vapor product, and cannabis use, prevention, and cessation; 38 and
  - (ii) The Washington poison control center;

p. 12 HB 1641

1 (c)(i) \$3,000,000 annually to the department of commerce to fund 2 cannabis social equity grants under RCW 43.330.540; and

3

4

5 6

7

8

9

10 11

12

13 14

15 16

17

18

19

20

27

28 29

30 31

32

33

34 35

37

40

- (ii) \$200,000 annually to the department of commerce to fund technical assistance through a roster of mentors under RCW 43.330.540;
- (d) \$200,000 annually, until June 30, 2032, to the health care authority to contract with the Washington state institute for public policy to conduct the cost-benefit evaluations and produce the reports described in RCW 69.50.550;
- (e) \$25,000 annually to the University of Washington alcohol and drug abuse institute for the creation, maintenance, and timely updating of web-based public education materials providing medically and scientifically accurate information about the health and safety risks posed by cannabis use;
- \$300,000 annually to the University of Washington and \$175,000 annually to the Washington State University for research on the short-term and long-term effects of cannabis use to include, but not be limited to, formal and informal methods for estimating and measuring intoxication and impairments, and for the dissemination of such research;
- 21 (g) \$550,000 annually to the office of the superintendent of 22 public instruction to fund grants to building bridges programs under 23 chapter 28A.175 RCW;
- (h) \$2,423,000 for fiscal year 2022 and \$2,423,000 for fiscal 24 25 year 2023 to the Washington state patrol for a drug enforcement task 26 force;
  - (i) \$270,000 for fiscal year 2022 and \$290,000 for fiscal year 2023 to the department of ecology for implementation of accreditation of cannabis product testing laboratories;
  - (j) \$800,000 for each of fiscal years 2020 through 2023 to the department of health for the administration of the cannabis authorization database; ((and))
  - (k) \$621,000 for fiscal year 2022 and \$635,000 for fiscal year 2023 to the department of agriculture for compliance-based laboratory analysis of pesticides in cannabis; and
- 36 (1) \$1,000,000 annually to the department of health to issue requests for proposals and contract for targeted public health messages and social marketing campaigns directed toward individuals 38 39 most likely to suffer negative impacts of high-THC products including persons under 25 years of age, persons reporting poor mental health,

p. 13 HB 1641

- and persons living with mental health disorders. Messages and media campaigns funded through this subsection must include information about risks, comparative dosing of cannabis products, and resources for persons seeking support for quitting or decreasing their intake of tetrahydrocannabinol. The content of public health messages and social marketing campaigns must be developed in partnership with persons targeted by the messages and campaigns and in consultation with professionals proficient in public health communication and in cannabis research.
  - (2) Subsection((s)) (1)(a) through (g) of this section must be adjusted annually based on the United States bureau of labor statistics' consumer price index for the Seattle area.
  - (3) After appropriation of the amounts identified in subsection (1) of this section, the legislature must annually appropriate such remaining amounts for the purposes listed in this subsection (3) as follows:
  - (a) Fifty-two percent to the state basic health plan trust account to be administered by the Washington basic health plan administrator and used as provided under chapter 70.47 RCW;
    - (b) Eleven percent to the health care authority to:

- (i) Design and administer the Washington state healthy youth survey, analyze the collected data, and produce reports, in collaboration with the office of the superintendent of public instruction, department of health, department of commerce, family policy council, and board. The survey must be conducted at least every two years and include questions regarding, but not necessarily limited to, academic achievement, age at time of substance use initiation, antisocial behavior of friends, attitudes toward antisocial behavior, attitudes toward substance use, laws and community norms regarding antisocial behavior, family conflict, family management, parental attitudes toward substance use, peer rewarding of antisocial behavior, perceived risk of substance use, and rebelliousness. Funds disbursed under this subsection may be used to expand administration of the healthy youth survey to student populations attending institutions of higher education in Washington;
- (ii) Develop, implement, maintain, and evaluate programs and practices aimed at the prevention or reduction of maladaptive substance use, substance use disorder, substance abuse or substance dependence, as these terms are defined in the diagnostic and statistical manual of mental disorders, among middle school and high

p. 14 HB 1641

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

- (iii) Contract with community health centers to provide primary health and dental care services, migrant health services, and maternity health care services as provided under RCW 41.05.220;
- (c) (i) One and one-half percent to counties, cities, and towns where licensed cannabis retailers are physically located. Each jurisdiction must receive a share of the revenue distribution under this subsection (3)(c)(i) based on the proportional share of the total revenues generated in the individual jurisdiction from the taxes collected under RCW 69.50.535, from licensed cannabis retailers physically located in each jurisdiction. For purposes of this subsection (3)(c), 100 percent of the proportional amount attributed to a retailer physically located in a city or town must be distributed to the city or town;
- (ii) Three and one-half percent to counties, cities, and towns ratably on a per capita basis. Counties must receive 60 percent of the distribution based on each county's total proportional population. Funds may only be distributed to jurisdictions that do not prohibit the siting of any state licensed cannabis producer, processor, or retailer;
- (iii) By September 15th of each year, the board must provide the state treasurer the annual distribution amount made under this subsection (3)(c), if any, for each county and city as determined in (c)(i) and (ii) of this subsection; and
- (iv) Distribution amounts allocated to each county, city, and town in (c)(i) and (ii) of this subsection must be distributed in 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.
- 37 <u>NEW SECTION.</u> **Sec. 6.** If any provision of this act or its application to any person or circumstance is held invalid, the

p. 15 HB 1641

- 1 remainder of the act or the application of the provision to other
- 2 persons or circumstances is not affected.

--- END ---

p. 16 HB 1641