
HOUSE BILL 2022

State of Washington

67th Legislature

2022 Regular Session

By Representatives Wicks and J. Johnson

1 AN ACT Relating to social equity in the cannabis industry;
2 amending RCW 69.50.335, 69.50.331, 69.50.331, 69.50.345, 69.50.540,
3 and 43.330.540; reenacting and amending RCW 69.50.345; adding a new
4 section to chapter 69.50 RCW; providing effective dates; and
5 providing expiration dates.

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

7 **Sec. 1.** RCW 69.50.335 and 2021 c 169 s 2 are each amended to
8 read as follows:

9 (1) (a) Beginning December 1, 2020, and until July 1, 2029,
10 cannabis retailer licenses that have been subject to forfeiture,
11 revocation, or cancellation by the board, or cannabis retailer
12 licenses that were not previously issued by the board but could have
13 been issued (~~((without exceeding the limit on the statewide number of
14 cannabis retailer licenses established before January 1, 2020,))~~) by
15 the board, may be issued or reissued to an applicant who meets the
16 cannabis retailer license requirements of this chapter.

17 (b) Beginning in calendar year 2022 and each calendar year
18 through 2029, the board shall make available and issue 38 new
19 cannabis retailer licenses per calendar year to applicants who
20 qualify as social equity applicants.

1 (c) Beginning in calendar year 2022 and each calendar year
2 through 2029, the board shall make available and issue 25 new
3 marijuana producer and/or processor licenses per calendar year to
4 applicants who qualify as social equity applicants. Applicants for
5 licenses authorized in this subsection (1)(c) may choose to apply for
6 a producer license, a processor license, or both a producer and
7 processor license. Nothing in this subsection prevents each of the 25
8 persons licensed pursuant to this section per calendar year from
9 being issued both a producer and processor license if they so choose
10 and qualify.

11 (d) All licenses issued under the social equity program in this
12 section are mobile and may be for premises located within any city,
13 county, or town in the state that permits the cannabis business
14 activity at the proposed location, regardless of:

15 (i) Whether a license was originally allocated to or issued in
16 another county, city, or town; and

17 (ii) The maximum number of retail outlets established by the
18 board for each county under RCW 69.50.345.

19 (e) The distance restrictions in RCW 69.50.331(8) do not apply to
20 licenses issued under the social equity program in this section.
21 However, no license issued pursuant to this section may be issued for
22 any premises within 500 feet of the perimeter of the grounds of any
23 elementary or secondary school.

24 (2) (a) In order to be considered for a retail license, a producer
25 license, or a processor license under subsection (1) of this section,
26 an applicant must be a social equity applicant and submit ~~((a social~~
27 ~~equity plan))~~ documentation to verify qualification status along with
28 other cannabis ~~((retailer))~~ license application requirements to the
29 board. If the application proposes ownership by more than one person,
30 then at least fifty-one percent of the proposed ownership structure
31 must reflect the qualifications of a social equity applicant.

32 (b) Persons holding an existing cannabis retailer license or
33 title certificate for a cannabis retailer business in a local
34 jurisdiction subject to a ban or moratorium on cannabis retail
35 businesses may apply for a retail license under this section.

36 (3) (a) In determining the issuance of a license among applicants,
37 ~~((board may prioritize applicants based on the extent to which~~
38 ~~the application addresses the components of the social equity plan))~~
39 office of equity and the department of commerce, in consultation with
40 community organizations, shall select a third-party contractor to

1 prioritize applicants and the board shall review applications based
2 on the priority set by the third-party contractor. The third-party
3 contractor shall prioritize applicants based on a scoring rubric
4 recommended by the social equity in cannabis task force and approved
5 by the office of equity.

6 (b) The board may deny any application submitted under this
7 subsection if the board determines that(~~+~~

8 ~~(i) The application does not meet social equity goals or does not~~
9 ~~meet social equity plan requirements; or~~

10 ~~(ii) The~~) the application does not (~~otherwise~~) meet the
11 licensing requirements of this section or chapter.

12 (4) The board may adopt rules to implement this section. Rules
13 may include strategies for receiving advice on the social equity
14 program from individuals the program is intended to benefit. Rules
15 (~~may~~) shall also require that licenses awarded under this section
16 be transferred or sold only to individuals or groups of individuals
17 who comply with the requirements for initial licensure as a social
18 equity applicant (~~with a social equity plan under this section~~) for
19 a period of at least five years from the date of transfer or sale.

20 (5) The annual fee for issuance, reissuance, or renewal for any
21 license under this section must be (~~equal to the fee established in~~
22 ~~RCW 69.50.325~~) waived.

23 (6) For the purposes of this section:

24 (a) "Cannabis" has the meaning provided for "marijuana" under
25 this chapter.

26 (b) "Disproportionately impacted area" means a census tract or
27 comparable geographic area that satisfies the following criteria,
28 which may be further defined in rule by the board after consultation
29 with the (~~commission on African American affairs~~) office of equity
30 and other agencies, commissions, and community members as determined
31 by the board:

32 (i) The area has a high poverty rate;

33 (ii) The area has a high rate of participation in income-based
34 federal or state programs;

35 (iii) The area has a high rate of unemployment; and

36 (iv) The area has a high rate of arrest, conviction, or
37 incarceration related to the sale, possession, use, cultivation,
38 manufacture, or transport of cannabis.

39 (c) "Social equity applicant" means:

1 (i) An applicant who has at least fifty-one percent ownership and
2 control by one or more individuals who have resided in a
3 disproportionately impacted area for ~~((a period of time defined in~~
4 ~~rule by the board after consultation with the commission on African~~
5 ~~American affairs and other commissions, agencies, and community~~
6 ~~members as determined by the board;~~

7 ~~((ii))~~ at least five years out of the last 60 years;

8 (ii) An applicant who has at least 51 percent ownership and
9 control by at least one individual who is a racial minority that
10 available data shows was disproportionately harmed by the war on
11 drugs as evidenced by rates of arrest for marijuana possession
12 offenses;

13 (iii) An applicant who has at least fifty-one percent ownership
14 and control by at least one individual who has been convicted of a
15 cannabis offense, a drug offense, or is a family member of such an
16 individual; or

17 ~~((iii))~~ (iv) An applicant who meets criteria defined in rule by
18 the board after consultation with the ~~((commission on African~~
19 ~~American affairs and other commissions))~~ office of equity, agencies,
20 and community members as determined by the board.

21 (d) "Social equity goals" means:

22 (i) Increasing the number of cannabis ~~((retailer))~~ licenses held
23 by social equity applicants from disproportionately impacted areas;
24 and

25 (ii) Reducing accumulated harm suffered by individuals, families,
26 and local areas subject to severe impacts from the historical
27 application and enforcement of cannabis prohibition laws.

28 ~~((e) "Social equity plan" means a plan that addresses at least~~
29 ~~some of the elements outlined in this subsection (6)(e), along with~~
30 ~~any additional plan components or requirements approved by the board~~
31 ~~following consultation with the task force created in RCW 69.50.336.~~
32 ~~The plan may include:~~

33 ~~(i) A statement that the social equity applicant qualifies as a~~
34 ~~social equity applicant and intends to own at least fifty-one percent~~
35 ~~of the proposed cannabis retail business or applicants representing~~
36 ~~at least fifty-one percent of the ownership of the proposed business~~
37 ~~qualify as social equity applicants;~~

38 ~~(ii) A description of how issuing a cannabis retail license to~~
39 ~~the social equity applicant will meet social equity goals;~~

1 ~~(iii) The social equity applicant's personal or family history~~
2 ~~with the criminal justice system including any offenses involving~~
3 ~~cannabis;~~

4 ~~(iv) The composition of the workforce the social equity applicant~~
5 ~~intends to hire;~~

6 ~~(v) Neighborhood characteristics of the location where the social~~
7 ~~equity applicant intends to operate, focusing especially on~~
8 ~~disproportionately impacted areas; and~~

9 ~~(vi) Business plans involving partnerships or assistance to~~
10 ~~organizations or residents with connection to populations with a~~
11 ~~history of high rates of enforcement of cannabis prohibition.))~~

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 RCW 69.50.335, beginning on the
15 effective date of this section through December 31, 2029, the board
16 may not issue any new cannabis producer, processor, or retailer
17 licenses.

18 (2) Beginning on the effective date of this section through
19 December 31, 2029, new cannabis licenses under this chapter may be
20 issued only to social equity applicants as described in RCW
21 69.50.335.

22 (3) Beginning January 1, 2030, at least 50 percent of the total
23 number of new cannabis licenses issued under this chapter must be
24 issued to applicants who qualify as social equity applicants as
25 described in RCW 69.50.335.

26 **Sec. 3.** RCW 69.50.331 and 2020 c 154 s 1 are each amended to
27 read as follows:

28 (1) For the purpose of considering any application for a license
29 to produce, process, research, transport, or deliver marijuana,
30 useable marijuana, marijuana concentrates, or marijuana-infused
31 products subject to the regulations established under RCW 69.50.385,
32 or sell marijuana, or for the renewal of a license to produce,
33 process, research, transport, or deliver marijuana, useable
34 marijuana, marijuana concentrates, or marijuana-infused products
35 subject to the regulations established under RCW 69.50.385, or sell
36 marijuana, the board must conduct a comprehensive, fair, and
37 impartial evaluation of the applications timely received.

1 (a) The board may cause an inspection of the premises to be made,
2 and may inquire into all matters in connection with the construction
3 and operation of the premises. For the purpose of reviewing any
4 application for a license and for considering the denial, suspension,
5 revocation, cancellation, or renewal or denial thereof, of any
6 license, the board may consider any prior criminal arrests or
7 convictions of the applicant, any public safety administrative
8 violation history record with the board, and a criminal history
9 record information check. The board may submit the criminal history
10 record information check to the Washington state patrol and to the
11 identification division of the federal bureau of investigation in
12 order that these agencies may search their records for prior arrests
13 and convictions of the individual or individuals who filled out the
14 forms. The board must require fingerprinting of any applicant whose
15 criminal history record information check is submitted to the federal
16 bureau of investigation. The provisions of RCW 9.95.240 and of
17 chapter 9.96A RCW do not apply to these cases. Subject to the
18 provisions of this section, the board may, in its discretion, grant
19 or deny the renewal or license applied for. Denial may be based on,
20 without limitation, the existence of chronic illegal activity
21 documented in objections submitted pursuant to subsections (7)(c) and
22 (10) of this section. Authority to approve an uncontested or
23 unopposed license may be granted by the board to any staff member the
24 board designates in writing. Conditions for granting this authority
25 must be adopted by rule.

26 (b) No license of any kind may be issued to:

27 (i) A person under the age of twenty-one years;

28 (ii) A person doing business as a sole proprietor who has not
29 lawfully resided in the state for at least six months prior to
30 applying to receive a license;

31 (iii) A partnership, employee cooperative, association, nonprofit
32 corporation, or corporation unless formed under the laws of this
33 state, and unless all of the members thereof are qualified to obtain
34 a license as provided in this section; or

35 (iv) A person whose place of business is conducted by a manager
36 or agent, unless the manager or agent possesses the same
37 qualifications required of the licensee.

38 (2)(a) The board may, in its discretion, subject to RCW
39 43.05.160, 69.50.563, 69.50.562, 69.50.334, and 69.50.342(3) suspend
40 or cancel any license; and all protections of the licensee from

1 criminal or civil sanctions under state law for producing,
2 processing, researching, or selling marijuana, marijuana
3 concentrates, useable marijuana, or marijuana-infused products
4 thereunder must be suspended or terminated, as the case may be.

5 (b) The board must immediately suspend the license of a person
6 who has been certified pursuant to RCW 74.20A.320 by the department
7 of social and health services as a person who is not in compliance
8 with a support order. If the person has continued to meet all other
9 requirements for reinstatement during the suspension, reissuance of
10 the license is automatic upon the board's receipt of a release issued
11 by the department of social and health services stating that the
12 licensee is in compliance with the order.

13 (c) The board may request the appointment of administrative law
14 judges under chapter 34.12 RCW who shall have power to administer
15 oaths, issue subpoenas for the attendance of witnesses and the
16 production of papers, books, accounts, documents, and testimony,
17 examine witnesses, receive testimony in any inquiry, investigation,
18 hearing, or proceeding in any part of the state, and consider
19 mitigating and aggravating circumstances in any case and deviate from
20 any prescribed penalty, under rules the board may adopt.

21 (d) Witnesses must be allowed fees and mileage each way to and
22 from any inquiry, investigation, hearing, or proceeding at the rate
23 authorized by RCW 34.05.446. Fees need not be paid in advance of
24 appearance of witnesses to testify or to produce books, records, or
25 other legal evidence.

26 (e) In case of disobedience of any person to comply with the
27 order of the board or a subpoena issued by the board, or any of its
28 members, or administrative law judges, or on the refusal of a witness
29 to testify to any matter regarding which he or she may be lawfully
30 interrogated, the judge of the superior court of the county in which
31 the person resides, on application of any member of the board or
32 administrative law judge, compels obedience by contempt proceedings,
33 as in the case of disobedience of the requirements of a subpoena
34 issued from said court or a refusal to testify therein.

35 (3) Upon receipt of notice of the suspension or cancellation of a
36 license, the licensee must forthwith deliver up the license to the
37 board. Where the license has been suspended only, the board must
38 return the license to the licensee at the expiration or termination
39 of the period of suspension. The board must notify all other
40 licensees in the county where the subject licensee has its premises

1 of the suspension or cancellation of the license; and no other
2 licensee or employee of another licensee may allow or cause any
3 marijuana, marijuana concentrates, useable marijuana, or marijuana-
4 infused products to be delivered to or for any person at the premises
5 of the subject licensee.

6 (4) Every license issued under this chapter is subject to all
7 conditions and restrictions imposed by this chapter or by rules
8 adopted by the board to implement and enforce this chapter. All
9 conditions and restrictions imposed by the board in the issuance of
10 an individual license must be listed on the face of the individual
11 license along with the trade name, address, and expiration date.

12 (5) Every licensee must post and keep posted its license, or
13 licenses, in a conspicuous place on the premises.

14 (6) No licensee may employ any person under the age of twenty-one
15 years.

16 (7) (a) Before the board issues a new or renewed license to an
17 applicant it must give notice of the application to the chief
18 executive officer of the incorporated city or town, if the
19 application is for a license within an incorporated city or town, or
20 to the county legislative authority, if the application is for a
21 license outside the boundaries of incorporated cities or towns, or to
22 the tribal government if the application is for a license within
23 Indian country, or to the port authority if the application for a
24 license is located on property owned by a port authority.

25 (b) The incorporated city or town through the official or
26 employee selected by it, the county legislative authority or the
27 official or employee selected by it, the tribal government, or port
28 authority has the right to file with the board within twenty days
29 after the date of transmittal of the notice for applications, or at
30 least thirty days prior to the expiration date for renewals, written
31 objections against the applicant or against the premises for which
32 the new or renewed license is asked. The board may extend the time
33 period for submitting written objections upon request from the
34 authority notified by the board.

35 (c) The written objections must include a statement of all facts
36 upon which the objections are based, and in case written objections
37 are filed, the city or town or county legislative authority may
38 request, and the board may in its discretion hold, a hearing subject
39 to the applicable provisions of Title 34 RCW. If the board makes an
40 initial decision to deny a license or renewal based on the written

1 objections of an incorporated city or town or county legislative
2 authority, the applicant may request a hearing subject to the
3 applicable provisions of Title 34 RCW. If a hearing is held at the
4 request of the applicant, board representatives must present and
5 defend the board's initial decision to deny a license or renewal.

6 (d) Upon the granting of a license under this title the board
7 must send written notification to the chief executive officer of the
8 incorporated city or town in which the license is granted, or to the
9 county legislative authority if the license is granted outside the
10 boundaries of incorporated cities or towns.

11 (8) (a) Except as provided in (b) through (e) of this subsection
12 and RCW 69.50.335, the board may not issue a license for any premises
13 within one thousand feet of the perimeter of the grounds of any
14 elementary or secondary school, playground, recreation center or
15 facility, child care center, public park, public transit center, or
16 library, or any game arcade admission to which is not restricted to
17 persons aged twenty-one years or older. In accordance with RCW
18 69.50.335, premises licensed or proposed to be licensed through the
19 cannabis social equity program are not subject to the distance
20 restrictions in (a) through (d) of this subsection. However, no
21 license issued through the cannabis social equity program may be
22 issued for any premises within 500 feet of the perimeter of the
23 grounds of any elementary or secondary school.

24 (b) A city, county, or town may permit the licensing of premises
25 within one thousand feet but not less than one hundred feet of the
26 facilities described in (a) of this subsection, except elementary
27 schools, secondary schools, and playgrounds, by enacting an ordinance
28 authorizing such distance reduction, provided that such distance
29 reduction will not negatively impact the jurisdiction's civil
30 regulatory enforcement, criminal law enforcement interests, public
31 safety, or public health.

32 (c) A city, county, or town may permit the licensing of research
33 premises allowed under RCW 69.50.372 within one thousand feet but not
34 less than one hundred feet of the facilities described in (a) of this
35 subsection by enacting an ordinance authorizing such distance
36 reduction, provided that the ordinance will not negatively impact the
37 jurisdiction's civil regulatory enforcement, criminal law
38 enforcement, public safety, or public health.

39 (d) The board may license premises located in compliance with the
40 distance requirements set in an ordinance adopted under (b) or (c) of

1 this subsection or in compliance with RCW 69.50.335. Before issuing
2 or renewing a research license for premises within one thousand feet
3 but not less than one hundred feet of an elementary school, secondary
4 school, or playground in compliance with an ordinance passed pursuant
5 to (c) of this subsection, the board must ensure that the facility:

6 (i) Meets a security standard exceeding that which applies to
7 marijuana producer, processor, or retailer licensees;

8 (ii) Is inaccessible to the public and no part of the operation
9 of the facility is in view of the general public; and

10 (iii) Bears no advertising or signage indicating that it is a
11 marijuana research facility.

12 (e) The board must issue a certificate of compliance if the
13 premises met the requirements under (a), (b), (c), or (d) of this
14 subsection on the date of the application. The certificate allows the
15 licensee to operate the business at the proposed location
16 notwithstanding a later occurring, otherwise disqualifying factor.

17 (f) The board may not issue a license for any premises within
18 Indian country, as defined in 18 U.S.C. Sec. 1151, including any fee
19 patent lands within the exterior boundaries of a reservation, without
20 the consent of the federally recognized tribe associated with the
21 reservation or Indian country.

22 (9) A city, town, or county may adopt an ordinance prohibiting a
23 marijuana producer or marijuana processor from operating or locating
24 a business within areas zoned primarily for residential use or rural
25 use with a minimum lot size of five acres or smaller.

26 (10) In determining whether to grant or deny a license or renewal
27 of any license, the board must give substantial weight to objections
28 from an incorporated city or town or county legislative authority
29 based upon chronic illegal activity associated with the applicant's
30 operations of the premises proposed to be licensed or the applicant's
31 operation of any other licensed premises, or the conduct of the
32 applicant's patrons inside or outside the licensed premises. "Chronic
33 illegal activity" means (a) a pervasive pattern of activity that
34 threatens the public health, safety, and welfare of the city, town,
35 or county including, but not limited to, open container violations,
36 assaults, disturbances, disorderly conduct, or other criminal law
37 violations, or as documented in crime statistics, police reports,
38 emergency medical response data, calls for service, field data, or
39 similar records of a law enforcement agency for the city, town,
40 county, or any other municipal corporation or any state agency; or

1 (b) an unreasonably high number of citations for violations of RCW
2 46.61.502 associated with the applicant's or licensee's operation of
3 any licensed premises as indicated by the reported statements given
4 to law enforcement upon arrest.

5 **Sec. 4.** RCW 69.50.331 and 2020 c 154 s 1 are each amended to
6 read as follows:

7 (1) For the purpose of considering any application for a license
8 to produce, process, research, transport, or deliver marijuana,
9 useable marijuana, marijuana concentrates, or marijuana-infused
10 products subject to the regulations established under RCW 69.50.385,
11 or sell marijuana, or for the renewal of a license to produce,
12 process, research, transport, or deliver marijuana, useable
13 marijuana, marijuana concentrates, or marijuana-infused products
14 subject to the regulations established under RCW 69.50.385, or sell
15 marijuana, the board must conduct a comprehensive, fair, and
16 impartial evaluation of the applications timely received.

17 (a) The board may cause an inspection of the premises to be made,
18 and may inquire into all matters in connection with the construction
19 and operation of the premises. For the purpose of reviewing any
20 application for a license and for considering the denial, suspension,
21 revocation, cancellation, or renewal or denial thereof, of any
22 license, the board may consider any prior criminal arrests or
23 convictions of the applicant, any public safety administrative
24 violation history record with the board, and a criminal history
25 record information check. The board may submit the criminal history
26 record information check to the Washington state patrol and to the
27 identification division of the federal bureau of investigation in
28 order that these agencies may search their records for prior arrests
29 and convictions of the individual or individuals who filled out the
30 forms. The board must require fingerprinting of any applicant whose
31 criminal history record information check is submitted to the federal
32 bureau of investigation. The provisions of RCW 9.95.240 and of
33 chapter 9.96A RCW do not apply to these cases. Subject to the
34 provisions of this section, the board may, in its discretion, grant
35 or deny the renewal or license applied for. Denial may be based on,
36 without limitation, the existence of chronic illegal activity
37 documented in objections submitted pursuant to subsections (7)(c) and
38 (10) of this section. Authority to approve an uncontested or
39 unopposed license may be granted by the board to any staff member the

1 board designates in writing. Conditions for granting this authority
2 must be adopted by rule.

3 (b) No license of any kind may be issued to:

4 (i) A person under the age of twenty-one years;

5 (ii) A person doing business as a sole proprietor who has not
6 lawfully resided in the state for at least six months prior to
7 applying to receive a license;

8 (iii) A partnership, employee cooperative, association, nonprofit
9 corporation, or corporation unless formed under the laws of this
10 state, and unless all of the members thereof are qualified to obtain
11 a license as provided in this section; or

12 (iv) A person whose place of business is conducted by a manager
13 or agent, unless the manager or agent possesses the same
14 qualifications required of the licensee.

15 (2) (a) The board may, in its discretion, subject to RCW
16 43.05.160, 69.50.563, 69.50.562, 69.50.334, and 69.50.342(3) suspend
17 or cancel any license; and all protections of the licensee from
18 criminal or civil sanctions under state law for producing,
19 processing, researching, or selling marijuana, marijuana
20 concentrates, useable marijuana, or marijuana-infused products
21 thereunder must be suspended or terminated, as the case may be.

22 (b) The board must immediately suspend the license of a person
23 who has been certified pursuant to RCW 74.20A.320 by the department
24 of social and health services as a person who is not in compliance
25 with a support order. If the person has continued to meet all other
26 requirements for reinstatement during the suspension, reissuance of
27 the license is automatic upon the board's receipt of a release issued
28 by the department of social and health services stating that the
29 licensee is in compliance with the order.

30 (c) The board may request the appointment of administrative law
31 judges under chapter 34.12 RCW who shall have power to administer
32 oaths, issue subpoenas for the attendance of witnesses and the
33 production of papers, books, accounts, documents, and testimony,
34 examine witnesses, receive testimony in any inquiry, investigation,
35 hearing, or proceeding in any part of the state, and consider
36 mitigating and aggravating circumstances in any case and deviate from
37 any prescribed penalty, under rules the board may adopt.

38 (d) Witnesses must be allowed fees and mileage each way to and
39 from any inquiry, investigation, hearing, or proceeding at the rate
40 authorized by RCW 34.05.446. Fees need not be paid in advance of

1 appearance of witnesses to testify or to produce books, records, or
2 other legal evidence.

3 (e) In case of disobedience of any person to comply with the
4 order of the board or a subpoena issued by the board, or any of its
5 members, or administrative law judges, or on the refusal of a witness
6 to testify to any matter regarding which he or she may be lawfully
7 interrogated, the judge of the superior court of the county in which
8 the person resides, on application of any member of the board or
9 administrative law judge, compels obedience by contempt proceedings,
10 as in the case of disobedience of the requirements of a subpoena
11 issued from said court or a refusal to testify therein.

12 (3) Upon receipt of notice of the suspension or cancellation of a
13 license, the licensee must forthwith deliver up the license to the
14 board. Where the license has been suspended only, the board must
15 return the license to the licensee at the expiration or termination
16 of the period of suspension. The board must notify all other
17 licensees in the county where the subject licensee has its premises
18 of the suspension or cancellation of the license; and no other
19 licensee or employee of another licensee may allow or cause any
20 marijuana, marijuana concentrates, useable marijuana, or marijuana-
21 infused products to be delivered to or for any person at the premises
22 of the subject licensee.

23 (4) Every license issued under this chapter is subject to all
24 conditions and restrictions imposed by this chapter or by rules
25 adopted by the board to implement and enforce this chapter. All
26 conditions and restrictions imposed by the board in the issuance of
27 an individual license must be listed on the face of the individual
28 license along with the trade name, address, and expiration date.

29 (5) Every licensee must post and keep posted its license, or
30 licenses, in a conspicuous place on the premises.

31 (6) No licensee may employ any person under the age of twenty-one
32 years.

33 (7)(a) Before the board issues a new or renewed license to an
34 applicant it must give notice of the application to the chief
35 executive officer of the incorporated city or town, if the
36 application is for a license within an incorporated city or town, or
37 to the county legislative authority, if the application is for a
38 license outside the boundaries of incorporated cities or towns, or to
39 the tribal government if the application is for a license within

1 Indian country, or to the port authority if the application for a
2 license is located on property owned by a port authority.

3 (b) The incorporated city or town through the official or
4 employee selected by it, the county legislative authority or the
5 official or employee selected by it, the tribal government, or port
6 authority has the right to file with the board within twenty days
7 after the date of transmittal of the notice for applications, or at
8 least thirty days prior to the expiration date for renewals, written
9 objections against the applicant or against the premises for which
10 the new or renewed license is asked. The board may extend the time
11 period for submitting written objections upon request from the
12 authority notified by the board.

13 (c) The written objections must include a statement of all facts
14 upon which the objections are based, and in case written objections
15 are filed, the city or town or county legislative authority may
16 request, and the board may in its discretion hold, a hearing subject
17 to the applicable provisions of Title 34 RCW. If the board makes an
18 initial decision to deny a license or renewal based on the written
19 objections of an incorporated city or town or county legislative
20 authority, the applicant may request a hearing subject to the
21 applicable provisions of Title 34 RCW. If a hearing is held at the
22 request of the applicant, board representatives must present and
23 defend the board's initial decision to deny a license or renewal.

24 (d) Upon the granting of a license under this title the board
25 must send written notification to the chief executive officer of the
26 incorporated city or town in which the license is granted, or to the
27 county legislative authority if the license is granted outside the
28 boundaries of incorporated cities or towns.

29 (8) (a) Except as provided in (b) through ~~((e))~~ (d) of this
30 subsection, the board may not issue a license for any premises within
31 ~~((one thousand))~~ 500 feet of the perimeter of the grounds of any
32 elementary or secondary school ~~((, playground, recreation center or
33 facility, child care center, public park, public transit center, or
34 library, or any game arcade admission to which is not restricted to
35 persons aged twenty-one years or older.~~

36 ~~(b) A city, county, or town may permit the licensing of premises
37 within one thousand feet but not less than one hundred feet of the
38 facilities described in (a) of this subsection, except elementary
39 schools, secondary schools, and playgrounds, by enacting an ordinance
40 authorizing such distance reduction, provided that such distance~~

1 ~~reduction will not negatively impact the jurisdiction's civil~~
2 ~~regulatory enforcement, criminal law enforcement interests, public~~
3 ~~safety, or public health.~~

4 ~~(e))~~.

5 (b) A city, county, or town may permit the licensing of research
6 premises allowed under RCW 69.50.372 within ~~((one thousand))~~ 500 feet
7 but not less than ~~((one hundred))~~ 100 feet of ~~((the facilities~~
8 ~~described in (a) of this subsection))~~ elementary or secondary schools
9 by enacting an ordinance authorizing such distance reduction,
10 provided that the ordinance will not negatively impact the
11 jurisdiction's civil regulatory enforcement, criminal law
12 enforcement, public safety, or public health.

13 ~~((d))~~ (c) The board may license premises located in compliance
14 with the distance requirements set in an ordinance adopted under (b)
15 ~~((or (e)))~~ of this subsection. Before issuing or renewing a research
16 license for premises within ~~((one thousand))~~ 500 feet but not less
17 than ~~((one hundred))~~ 100 feet of an elementary ~~((school,))~~ or
18 secondary school ~~((, or playground))~~ in compliance with an ordinance
19 passed pursuant to ~~((e))~~ (b) of this subsection, the board must
20 ensure that the facility:

21 (i) Meets a security standard exceeding that which applies to
22 marijuana producer, processor, or retailer licensees;

23 (ii) Is inaccessible to the public and no part of the operation
24 of the facility is in view of the general public; and

25 (iii) Bears no advertising or signage indicating that it is a
26 marijuana research facility.

27 ~~((e))~~ (d) The board must issue a certificate of compliance if
28 the premises met the requirements under (a), (b), or (c) ~~((, or (d)))~~
29 of this subsection on the date of the application. The certificate
30 allows the licensee to operate the business at the proposed location
31 notwithstanding a later occurring, otherwise disqualifying factor.

32 ~~((f))~~ (e) The board may not issue a license for any premises
33 within Indian country, as defined in 18 U.S.C. Sec. 1151, including
34 any fee patent lands within the exterior boundaries of a reservation,
35 without the consent of the federally recognized tribe associated with
36 the reservation or Indian country.

37 (9) A city, town, or county may adopt an ordinance prohibiting a
38 marijuana producer or marijuana processor from operating or locating
39 a business within areas zoned primarily for residential use or rural
40 use with a minimum lot size of five acres or smaller.

1 (10) In determining whether to grant or deny a license or renewal
2 of any license, the board must give substantial weight to objections
3 from an incorporated city or town or county legislative authority
4 based upon chronic illegal activity associated with the applicant's
5 operations of the premises proposed to be licensed or the applicant's
6 operation of any other licensed premises, or the conduct of the
7 applicant's patrons inside or outside the licensed premises. "Chronic
8 illegal activity" means (a) a pervasive pattern of activity that
9 threatens the public health, safety, and welfare of the city, town,
10 or county including, but not limited to, open container violations,
11 assaults, disturbances, disorderly conduct, or other criminal law
12 violations, or as documented in crime statistics, police reports,
13 emergency medical response data, calls for service, field data, or
14 similar records of a law enforcement agency for the city, town,
15 county, or any other municipal corporation or any state agency; or
16 (b) an unreasonably high number of citations for violations of RCW
17 46.61.502 associated with the applicant's or licensee's operation of
18 any licensed premises as indicated by the reported statements given
19 to law enforcement upon arrest.

20 **Sec. 5.** RCW 69.50.345 and 2019 c 393 s 2 are each amended to
21 read as follows:

22 The state liquor and cannabis board, subject to the provisions of
23 this chapter, must adopt rules that establish the procedures and
24 criteria necessary to implement the following:

25 (1) Licensing of marijuana producers, marijuana processors, and
26 marijuana retailers, including prescribing forms and establishing
27 application, reinstatement, and renewal fees.

28 (a) Application forms for marijuana producers must request the
29 applicant to state whether the applicant intends to produce marijuana
30 for sale by marijuana retailers holding medical marijuana
31 endorsements and the amount of or percentage of canopy the applicant
32 intends to commit to growing plants determined by the department
33 under RCW 69.50.375 to be of a THC concentration, CBD concentration,
34 or THC to CBD ratio appropriate for marijuana concentrates, useable
35 marijuana, or marijuana-infused products sold to qualifying patients.

36 (b) The state liquor and cannabis board must reconsider and
37 increase limits on the amount of square feet permitted to be in
38 production on July 24, 2015, and increase the percentage of
39 production space for those marijuana producers who intend to grow

1 plants for marijuana retailers holding medical marijuana endorsements
2 if the marijuana producer designates the increased production space
3 to plants determined by the department under RCW 69.50.375 to be of a
4 THC concentration, CBD concentration, or THC to CBD ratio appropriate
5 for marijuana concentrates, useable marijuana, or marijuana-infused
6 products to be sold to qualifying patients. If current marijuana
7 producers do not use all the increased production space, the state
8 liquor and cannabis board may reopen the license period for new
9 marijuana producer license applicants but only to those marijuana
10 producers who agree to grow plants for marijuana retailers holding
11 medical marijuana endorsements. Priority in licensing must be given
12 to marijuana producer license applicants who have an application
13 pending on July 24, 2015, but who are not yet licensed and then to
14 new marijuana producer license applicants. After January 1, 2017, any
15 reconsideration of the limits on the amount of square feet permitted
16 to be in production to meet the medical needs of qualifying patients
17 must consider information contained in the medical marijuana
18 authorization database established in RCW 69.51A.230;

19 (2) (~~Determining~~) Except as provided in RCW 69.50.335,
20 determining, in consultation with the office of financial management,
21 the maximum number of retail outlets that may be licensed in each
22 county, taking into consideration:

23 (a) Population distribution;

24 (b) Security and safety issues;

25 (c) The provision of adequate access to licensed sources of
26 marijuana concentrates, useable marijuana, and marijuana-infused
27 products to discourage purchases from the illegal market; and

28 (d) The number of retail outlets holding medical marijuana
29 endorsements necessary to meet the medical needs of qualifying
30 patients. The state liquor and cannabis board must reconsider and
31 increase the maximum number of retail outlets it established before
32 July 24, 2015, and allow for a new license application period and a
33 greater number of retail outlets to be permitted in order to
34 accommodate the medical needs of qualifying patients and designated
35 providers. After January 1, 2017, any reconsideration of the maximum
36 number of retail outlets needed to meet the medical needs of
37 qualifying patients must consider information contained in the
38 medical marijuana authorization database established in RCW
39 69.51A.230;

1 (3) Determining the maximum quantity of marijuana a marijuana
2 producer may have on the premises of a licensed location at any time
3 without violating Washington state law;

4 (4) Determining the maximum quantities of marijuana, marijuana
5 concentrates, useable marijuana, and marijuana-infused products a
6 marijuana processor may have on the premises of a licensed location
7 at any time without violating Washington state law;

8 (5) Determining the maximum quantities of marijuana concentrates,
9 useable marijuana, and marijuana-infused products a marijuana
10 retailer may have on the premises of a retail outlet at any time
11 without violating Washington state law;

12 (6) In making the determinations required by this section, the
13 state liquor and cannabis board shall take into consideration:

14 (a) Security and safety issues;

15 (b) The provision of adequate access to licensed sources of
16 marijuana, marijuana concentrates, useable marijuana, and marijuana-
17 infused products to discourage purchases from the illegal market; and

18 (c) Economies of scale, and their impact on licensees' ability to
19 both comply with regulatory requirements and undercut illegal market
20 prices;

21 (7) Determining the nature, form, and capacity of all containers
22 to be used by licensees to contain marijuana, marijuana concentrates,
23 useable marijuana, and marijuana-infused products, and their labeling
24 requirements;

25 (8) In consultation with the department of agriculture and the
26 department, establishing classes of marijuana, marijuana
27 concentrates, useable marijuana, and marijuana-infused products
28 according to grade, condition, cannabinoid profile, THC
29 concentration, CBD concentration, or other qualitative measurements
30 deemed appropriate by the state liquor and cannabis board;

31 (9) Establishing reasonable time, place, and manner restrictions
32 and requirements regarding advertising of marijuana, marijuana
33 concentrates, useable marijuana, and marijuana-infused products that
34 are not inconsistent with the provisions of this chapter, taking into
35 consideration:

36 (a) Federal laws relating to marijuana that are applicable within
37 Washington state;

38 (b) Minimizing exposure of people under twenty-one years of age
39 to the advertising;

1 (c) The inclusion of medically and scientifically accurate
2 information about the health and safety risks posed by marijuana use
3 in the advertising; and

4 (d) Ensuring that retail outlets with medical marijuana
5 endorsements may advertise themselves as medical retail outlets;

6 (10) Specifying and regulating the time and periods when, and the
7 manner, methods, and means by which, licensees shall transport and
8 deliver marijuana, marijuana concentrates, useable marijuana, and
9 marijuana-infused products within the state;

10 (11) In consultation with the department and the department of
11 agriculture, establishing accreditation requirements for testing
12 laboratories used by licensees to demonstrate compliance with
13 standards adopted by the state liquor and cannabis board, and
14 prescribing methods of producing, processing, and packaging
15 marijuana, marijuana concentrates, useable marijuana, and marijuana-
16 infused products; conditions of sanitation; and standards of
17 ingredients, quality, and identity of marijuana, marijuana
18 concentrates, useable marijuana, and marijuana-infused products
19 produced, processed, packaged, or sold by licensees;

20 (12) Specifying procedures for identifying, seizing,
21 confiscating, destroying, and donating to law enforcement for
22 training purposes all marijuana, marijuana concentrates, useable
23 marijuana, and marijuana-infused products produced, processed,
24 packaged, labeled, or offered for sale in this state that do not
25 conform in all respects to the standards prescribed by this chapter
26 or the rules of the state liquor and cannabis board.

27 **Sec. 6.** RCW 69.50.345 and 2019 c 393 s 2 and 2019 c 277 s 6 are
28 each reenacted and amended to read as follows:

29 The state liquor and cannabis board, subject to the provisions of
30 this chapter, must adopt rules that establish the procedures and
31 criteria necessary to implement the following:

32 (1) Licensing of marijuana producers, marijuana processors, and
33 marijuana retailers, including prescribing forms and establishing
34 application, reinstatement, and renewal fees.

35 (a) Application forms for marijuana producers must request the
36 applicant to state whether the applicant intends to produce marijuana
37 for sale by marijuana retailers holding medical marijuana
38 endorsements and the amount of or percentage of canopy the applicant
39 intends to commit to growing plants determined by the department

1 under RCW 69.50.375 to be of a THC concentration, CBD concentration,
2 or THC to CBD ratio appropriate for marijuana concentrates, useable
3 marijuana, or marijuana-infused products sold to qualifying patients.

4 (b) The state liquor and cannabis board must reconsider and
5 increase limits on the amount of square feet permitted to be in
6 production on July 24, 2015, and increase the percentage of
7 production space for those marijuana producers who intend to grow
8 plants for marijuana retailers holding medical marijuana endorsements
9 if the marijuana producer designates the increased production space
10 to plants determined by the department under RCW 69.50.375 to be of a
11 THC concentration, CBD concentration, or THC to CBD ratio appropriate
12 for marijuana concentrates, useable marijuana, or marijuana-infused
13 products to be sold to qualifying patients. If current marijuana
14 producers do not use all the increased production space, the state
15 liquor and cannabis board may reopen the license period for new
16 marijuana producer license applicants but only to those marijuana
17 producers who agree to grow plants for marijuana retailers holding
18 medical marijuana endorsements. Priority in licensing must be given
19 to marijuana producer license applicants who have an application
20 pending on July 24, 2015, but who are not yet licensed and then to
21 new marijuana producer license applicants. After January 1, 2017, any
22 reconsideration of the limits on the amount of square feet permitted
23 to be in production to meet the medical needs of qualifying patients
24 must consider information contained in the medical marijuana
25 authorization database established in RCW 69.51A.230;

26 (2) (~~Determining~~) Except as provided in RCW 69.50.335,
27 determining, in consultation with the office of financial management,
28 the maximum number of retail outlets that may be licensed in each
29 county, taking into consideration:

30 (a) Population distribution;

31 (b) Security and safety issues;

32 (c) The provision of adequate access to licensed sources of
33 marijuana concentrates, useable marijuana, and marijuana-infused
34 products to discourage purchases from the illegal market; and

35 (d) The number of retail outlets holding medical marijuana
36 endorsements necessary to meet the medical needs of qualifying
37 patients. The state liquor and cannabis board must reconsider and
38 increase the maximum number of retail outlets it established before
39 July 24, 2015, and allow for a new license application period and a
40 greater number of retail outlets to be permitted in order to

1 accommodate the medical needs of qualifying patients and designated
2 providers. After January 1, 2017, any reconsideration of the maximum
3 number of retail outlets needed to meet the medical needs of
4 qualifying patients must consider information contained in the
5 medical marijuana authorization database established in RCW
6 69.51A.230;

7 (3) Determining the maximum quantity of marijuana a marijuana
8 producer may have on the premises of a licensed location at any time
9 without violating Washington state law;

10 (4) Determining the maximum quantities of marijuana, marijuana
11 concentrates, useable marijuana, and marijuana-infused products a
12 marijuana processor may have on the premises of a licensed location
13 at any time without violating Washington state law;

14 (5) Determining the maximum quantities of marijuana concentrates,
15 useable marijuana, and marijuana-infused products a marijuana
16 retailer may have on the premises of a retail outlet at any time
17 without violating Washington state law;

18 (6) In making the determinations required by this section, the
19 state liquor and cannabis board shall take into consideration:

20 (a) Security and safety issues;

21 (b) The provision of adequate access to licensed sources of
22 marijuana, marijuana concentrates, useable marijuana, and marijuana-
23 infused products to discourage purchases from the illegal market; and

24 (c) Economies of scale, and their impact on licensees' ability to
25 both comply with regulatory requirements and undercut illegal market
26 prices;

27 (7) Determining the nature, form, and capacity of all containers
28 to be used by licensees to contain marijuana, marijuana concentrates,
29 useable marijuana, and marijuana-infused products, and their labeling
30 requirements;

31 (8) In consultation with the department of agriculture and the
32 department, establishing classes of marijuana, marijuana
33 concentrates, useable marijuana, and marijuana-infused products
34 according to grade, condition, cannabinoid profile, THC
35 concentration, CBD concentration, or other qualitative measurements
36 deemed appropriate by the state liquor and cannabis board;

37 (9) Establishing reasonable time, place, and manner restrictions
38 and requirements regarding advertising of marijuana, marijuana
39 concentrates, useable marijuana, and marijuana-infused products that

1 are not inconsistent with the provisions of this chapter, taking into
2 consideration:

3 (a) Federal laws relating to marijuana that are applicable within
4 Washington state;

5 (b) Minimizing exposure of people under twenty-one years of age
6 to the advertising;

7 (c) The inclusion of medically and scientifically accurate
8 information about the health and safety risks posed by marijuana use
9 in the advertising; and

10 (d) Ensuring that retail outlets with medical marijuana
11 endorsements may advertise themselves as medical retail outlets;

12 (10) Specifying and regulating the time and periods when, and the
13 manner, methods, and means by which, licensees shall transport and
14 deliver marijuana, marijuana concentrates, useable marijuana, and
15 marijuana-infused products within the state;

16 (11) In consultation with the department and the department of
17 agriculture, prescribing methods of producing, processing, and
18 packaging marijuana, marijuana concentrates, useable marijuana, and
19 marijuana-infused products; conditions of sanitation; and standards
20 of ingredients, quality, and identity of marijuana, marijuana
21 concentrates, useable marijuana, and marijuana-infused products
22 produced, processed, packaged, or sold by licensees;

23 (12) Specifying procedures for identifying, seizing,
24 confiscating, destroying, and donating to law enforcement for
25 training purposes all marijuana, marijuana concentrates, useable
26 marijuana, and marijuana-infused products produced, processed,
27 packaged, labeled, or offered for sale in this state that do not
28 conform in all respects to the standards prescribed by this chapter
29 or the rules of the state liquor and cannabis board.

30 **Sec. 7.** RCW 69.50.540 and 2021 c 334 s 986 are each amended to
31 read as follows:

32 The legislature must annually appropriate moneys in the dedicated
33 marijuana account created in RCW 69.50.530 as follows:

34 (1) For the purposes listed in this subsection (1), the
35 legislature must appropriate to the respective agencies amounts
36 sufficient to make the following expenditures on a quarterly basis or
37 as provided in this subsection:

38 (a) One hundred twenty-five thousand dollars to the health care
39 authority to design and administer the Washington state healthy youth

1 survey, analyze the collected data, and produce reports, in
2 collaboration with the office of the superintendent of public
3 instruction, department of health, department of commerce, family
4 policy council, and board. The survey must be conducted at least
5 every two years and include questions regarding, but not necessarily
6 limited to, academic achievement, age at time of substance use
7 initiation, antisocial behavior of friends, attitudes toward
8 antisocial behavior, attitudes toward substance use, laws and
9 community norms regarding antisocial behavior, family conflict,
10 family management, parental attitudes toward substance use, peer
11 rewarding of antisocial behavior, perceived risk of substance use,
12 and rebelliousness. Funds disbursed under this subsection may be used
13 to expand administration of the healthy youth survey to student
14 populations attending institutions of higher education in Washington;

15 (b) Fifty thousand dollars to the health care authority for the
16 purpose of contracting with the Washington state institute for public
17 policy to conduct the cost-benefit evaluation and produce the reports
18 described in RCW 69.50.550. This appropriation ends after production
19 of the final report required by RCW 69.50.550;

20 (c) Five thousand dollars to the University of Washington alcohol
21 and drug abuse institute for the creation, maintenance, and timely
22 updating of web-based public education materials providing medically
23 and scientifically accurate information about the health and safety
24 risks posed by marijuana use;

25 (d) (i) An amount not less than one million two hundred fifty
26 thousand dollars to the board for administration of this chapter as
27 appropriated in the omnibus appropriations act;

28 (ii) One million three hundred twenty-three thousand dollars for
29 fiscal year 2020 to the health professions account established under
30 RCW 43.70.320 for the development and administration of the marijuana
31 authorization database by the department of health;

32 (iii) Two million four hundred fifty-three thousand dollars for
33 fiscal year 2020 and two million four hundred twenty-three thousand
34 dollars for fiscal years 2021, 2022, and 2023 to the Washington state
35 patrol for a drug enforcement task force. It is the intent of the
36 legislature that this policy will be continued in the 2021-2023
37 fiscal biennium; and

38 (iv) Ninety-eight thousand dollars for fiscal year 2019 to the
39 department of ecology for research on accreditation of marijuana
40 product testing laboratories;

1 (e) Four hundred sixty-five thousand dollars for fiscal year
2 2020, four hundred sixty-four thousand dollars for fiscal year 2021,
3 two hundred seventy thousand dollars in fiscal year 2022, and two
4 hundred seventy-six thousand dollars in fiscal year 2023 to the
5 department of ecology for implementation of accreditation of
6 marijuana product testing laboratories;

7 (f) One hundred eighty-nine thousand dollars for fiscal year 2020
8 to the department of health for rule making regarding compassionate
9 care renewals;

10 (g) Eight hundred eight thousand dollars for each of fiscal years
11 2020 through 2023 to the department of health for the administration
12 of the marijuana authorization database;

13 (h) Six hundred thirty-five thousand dollars for fiscal year
14 2020, six hundred thirty-five thousand dollars for fiscal year 2021,
15 six hundred twenty-one thousand dollars for fiscal year 2022, and six
16 hundred twenty-seven thousand dollars for fiscal year 2023 to the
17 department of agriculture for compliance-based laboratory analysis of
18 pesticides in marijuana;

19 (i) ~~((One million six hundred fifty thousand dollars for fiscal~~
20 ~~year 2022 and one million six hundred fifty thousand dollars for~~
21 ~~fiscal year 2023)) Fifteen million dollars annually to the department
22 of commerce to fund ~~((the marijuana social equity technical~~
23 ~~assistance competitive grant program)) cannabis social equity grants~~
24 under RCW 43.330.540; ~~((and))~~~~

25 (j) Seven million five hundred thousand dollars annually to the
26 department of commerce for low-interest loans to cannabis license
27 applicants and licensees as part of the cannabis social equity
28 program and as provided in RCW 43.330.540; and

29 ~~(k) One ((hundred sixty-three thousand dollars for fiscal year~~
30 ~~2022 and one hundred fifty-nine thousand dollars for fiscal year 2023~~
31 ~~to the department of commerce to establish a roster of mentors as~~
32 ~~part of the cannabis social equity technical assistance grant program~~
33 ~~under Engrossed Substitute House Bill No. 1443 (cannabis industry/~~
34 ~~equity) [chapter 169, Laws of 2021]) million one hundred thousand~~
35 dollars annually to the department of commerce to make available
36 technical assistance to cannabis license applicants and licensees
37 within the cannabis social equity program, including establishing a
38 roster of mentors to provide technical assistance; and

39 (2) From the amounts in the dedicated marijuana account after
40 appropriation of the amounts identified in subsection (1) of this

1 section, the legislature must appropriate for the purposes listed in
2 this subsection (2) as follows:

3 (a) (i) Up to fifteen percent to the health care authority for the
4 development, implementation, maintenance, and evaluation of programs
5 and practices aimed at the prevention or reduction of maladaptive
6 substance use, substance use disorder, substance abuse or substance
7 dependence, as these terms are defined in the Diagnostic and
8 Statistical Manual of Mental Disorders, among middle school and high
9 school-age students, whether as an explicit goal of a given program
10 or practice or as a consistently corresponding effect of its
11 implementation, mental health services for children and youth, and
12 services for pregnant and parenting women; PROVIDED, That:

13 (A) Of the funds appropriated under (a) (i) of this subsection for
14 new programs and new services, at least eighty-five percent must be
15 directed to evidence-based or research-based programs and practices
16 that produce objectively measurable results and, by September 1,
17 2020, are cost-beneficial; and

18 (B) Up to fifteen percent of the funds appropriated under (a) (i)
19 of this subsection for new programs and new services may be directed
20 to proven and tested practices, emerging best practices, or promising
21 practices.

22 (ii) In deciding which programs and practices to fund, the
23 director of the health care authority must consult, at least
24 annually, with the University of Washington's social development
25 research group and the University of Washington's alcohol and drug
26 abuse institute.

27 (iii) For each fiscal year, the legislature must appropriate a
28 minimum of twenty-five million five hundred thirty-six thousand
29 dollars under this subsection (2) (a);

30 (b) (i) Up to ten percent to the department of health for the
31 following, subject to (b) (ii) of this subsection (2):

32 (A) Creation, implementation, operation, and management of a
33 marijuana education and public health program that contains the
34 following:

35 (I) A marijuana use public health hotline that provides referrals
36 to substance abuse treatment providers, utilizes evidence-based or
37 research-based public health approaches to minimizing the harms
38 associated with marijuana use, and does not solely advocate an
39 abstinence-only approach;

1 (II) A grants program for local health departments or other local
2 community agencies that supports development and implementation of
3 coordinated intervention strategies for the prevention and reduction
4 of marijuana use by youth; and

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

10 (B) The Washington poison control center.

11 (ii) For each fiscal year, the legislature must appropriate a
12 minimum of nine million seven hundred fifty thousand dollars under
13 this subsection (2)(b);

14 (c)(i) Up to six-tenths of one percent to the University of
15 Washington and four-tenths of one percent to Washington State
16 University for research on the short and long-term effects of
17 marijuana use, to include but not be limited to formal and informal
18 methods for estimating and measuring intoxication and impairment, and
19 for the dissemination of such research.

20 (ii) For each fiscal year, except for the 2019-2021 and 2021-2023
21 fiscal biennia, the legislature must appropriate a minimum of one
22 million twenty-one thousand dollars to the University of Washington.
23 For each fiscal year, except for the 2019-2021 and 2021-2023 fiscal
24 biennia, the legislature must appropriate a minimum of six hundred
25 eighty-one thousand dollars to Washington State University under this
26 subsection (2)(c). It is the intent of the legislature that this
27 policy will be continued in the 2023-2025 fiscal biennium;

28 (d) Fifty percent to the state basic health plan trust account to
29 be administered by the Washington basic health plan administrator and
30 used as provided under chapter 70.47 RCW;

31 (e) Five percent to the Washington state health care authority to
32 be expended exclusively through contracts with community health
33 centers to provide primary health and dental care services, migrant
34 health services, and maternity health care services as provided under
35 RCW 41.05.220;

36 (f)(i) Up to three-tenths of one percent to the office of the
37 superintendent of public instruction to fund grants to building
38 bridges programs under chapter 28A.175 RCW.

39 (ii) For each fiscal year, the legislature must appropriate a
40 minimum of five hundred eleven thousand dollars to the office of the

1 superintendent of public instruction under this subsection (2)(f);
2 and

3 (g) At the end of each fiscal year, the treasurer must transfer
4 any amounts in the dedicated marijuana account that are not
5 appropriated pursuant to subsection (1) of this section and this
6 subsection (2) into the general fund, except as provided in (g)(i) of
7 this subsection (2).

8 (i) Beginning in fiscal year 2018, if marijuana excise tax
9 collections deposited into the general fund in the prior fiscal year
10 exceed twenty-five million dollars, then each fiscal year the
11 legislature must appropriate an amount equal to thirty percent of all
12 marijuana excise taxes deposited into the general fund the prior
13 fiscal year to the treasurer for distribution to counties, cities,
14 and towns as follows:

15 (A) Thirty percent must be distributed to counties, cities, and
16 towns where licensed marijuana retailers are physically located. Each
17 jurisdiction must receive a share of the revenue distribution under
18 this subsection (2)(g)(i)(A) 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 marijuana
21 retailers physically located in each jurisdiction. For purposes of
22 this subsection (2)(g)(i)(A), one hundred percent of the proportional
23 amount attributed to a retailer physically located in a city or town
24 must be distributed to the city or town.

25 (B) Seventy percent must be distributed to counties, cities, and
26 towns ratably on a per capita basis. Counties must receive sixty
27 percent of the distribution, which must be disbursed based on each
28 county's total proportional population. Funds may only be distributed
29 to jurisdictions that do not prohibit the siting of any state
30 licensed marijuana producer, processor, or retailer.

31 (ii) Distribution amounts allocated to each county, city, and
32 town must be distributed in four installments by the last day of each
33 fiscal quarter.

34 (iii) By September 15th of each year, the board must provide the
35 state treasurer the annual distribution amount, if any, for each
36 county and city as determined in (g)(i) of this subsection (2).

37 (iv) The total share of marijuana excise tax revenues distributed
38 to counties and cities in (g)(i) of this subsection (2) may not
39 exceed fifteen million dollars in fiscal years 2018, 2019, 2020, and
40 2021, and twenty million dollars per fiscal year thereafter.

1 **Sec. 8.** RCW 43.330.540 and 2021 c 169 s 1 are each amended to
2 read as follows:

3 (1) The cannabis social equity (~~(technical assistance)~~) grant,
4 low-interest loan, and technical assistance program is established
5 and is to be administered by the department.

6 (2) (a) The (~~cannabis social equity technical assistance grant~~)
7 program must award grants to:

8 (i) Cannabis license applicants who are social equity applicants
9 (~~submitting social equity plans~~) under RCW 69.50.335; (~~and~~)

10 (ii) Cannabis licensees holding a license issued after June 30,
11 2020, and before July 25, 2021, who meet the social equity applicant
12 criteria under RCW 69.50.335; and

13 (iii) Cannabis producers, processors, and retailers who became
14 licensed under the cannabis social equity program in RCW 69.50.335.

15 (b) Grant recipients under this subsection (2) must demonstrate
16 completion of their project within 12 months of receiving a grant,
17 unless a grant recipient requests, and the department approves,
18 additional time to complete the project.

19 (3) (~~The department must award grants primarily based on the~~
20 ~~strength of the social equity plans submitted by cannabis license~~
21 ~~applicants and cannabis licensees holding a license issued after June~~
22 ~~30, 2020, and before July 25, 2021, but may also consider additional~~
23 ~~criteria if deemed necessary or appropriate by the department.)~~)

24 Technical assistance activities eligible for funding include, but are
25 not limited to:

26 (a) Assistance navigating the cannabis licensure process;

27 (b) Cannabis-business specific education and business plan
28 development;

29 (c) Regulatory compliance training;

30 (d) Financial management training and assistance in seeking
31 financing; and

32 (e) (~~Strengthening a social equity plan; and~~

33 ~~(f)~~) Connecting social equity applicants with established
34 industry members and tribal cannabis enterprises and programs for
35 mentoring and other forms of support.

36 (4) The department may contract to establish a roster of mentors
37 who are available to support and advise social equity applicants and
38 current licensees who meet the social equity applicant criteria under
39 RCW 69.50.335. Contractors under this section must:

1 (a) Have knowledge and experience demonstrating their ability to
2 effectively advise eligible applicants and licensees in navigating
3 the state's licensing and regulatory framework or on producing and
4 processing cannabis;

5 (b) Be a business that is at least 51(~~(% [percent])~~) percent
6 minority or woman-owned; (~~and~~)

7 (c) Meet department reporting and invoicing requirements(~~(-~~
8 ~~5-))~~; and

9 (d) Be approved through the office of equity.

10 (5) Low-interest loans must be made available for applicants and
11 licensees who apply for or are issued a license through the cannabis
12 social equity program.

13 (6) Funding for the cannabis social equity ((technical
14 assistance)) grant, low-interest loan, and technical assistance
15 program must be provided through the dedicated marijuana account
16 under RCW 69.50.540. Additionally, the department may solicit,
17 receive, and expend private contributions to support the ((grant))
18 program.

19 ~~((6))~~ (7) The department may adopt rules to implement this
20 section.

21 ~~((7))~~ (8) For the purposes of this section, "cannabis" has the
22 meaning provided for "marijuana" under RCW 69.50.101.

23 NEW SECTION. Sec. 9. If any provision of this act or its
24 application to any person or circumstance is held invalid, the
25 remainder of the act or the application of the provision to other
26 persons or circumstances is not affected.

27 NEW SECTION. Sec. 10. Section 3 of this act expires January 1,
28 2030.

29 NEW SECTION. Sec. 11. Section 4 of this act takes effect
30 January 1, 2030.

31 NEW SECTION. Sec. 12. Section 5 of this act expires July 1,
32 2024.

1 NEW SECTION. **Sec. 13.** Section 6 of this act takes effect July
2 1, 2024.

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