



Washington State Liquor and Cannabis Board

Topic: Petition for Adoption, Amendment, or Repeal of a State Administrative Rule – Funding for Trauma-Informed Counseling and Research

Date: January 29, 2025

Presented by: Jeff Kildahl, Policy and Rules Coordinator

Background

On December 3, 2024, Ash Sjodin, a member of the public, submitted a rulemaking petition to the Liquor and Cannabis Board (Board). The petition request, received in the form of an email message to the Board Chair, proposes that the Board create a rule to allocate funding from cannabis revenue to support trauma-informed counseling and research. The petitioner’s request for rulemaking is stated as follows:

“I propose the creation of a rule that would allocate funding from cannabis revenue to support trauma-informed counseling and research. This initiative would provide critical mental health resources for both individuals disproportionately affected by past cannabis criminalization and LCB staff who often bear the brunt of emotionally charged interactions. It would also fund research to better understand the long-term effects of systemic racism and the War on Drugs, enabling us to develop more effective policies moving forward.

I believe this proposal aligns with the LCB’s mission to foster a safe, fair, and equitable cannabis industry. I would greatly appreciate your guidance on how to formally propose this initiative and move it into the rulemaking process. I am happy to meet with you or your team to discuss this further and to present my ideas at an upcoming meeting if appropriate.”

Issue

Whether the Board should create a new rule in Title 314 WAC that would allocate funding from cannabis revenue to support trauma-informed counseling for individuals disproportionately affected by past cannabis criminalization, and to also fund research into the long-term effects of the War on Drugs.

Statutes

[RCW 69.50.530](#) states that the dedicated cannabis account is created in the state treasury. All moneys received by the board, or any employee thereof, from cannabis-related activities must be deposited in the account. Unless otherwise provided in chapter 4, Laws of 2015 2nd sp. sess., all cannabis excise taxes collected from sales of cannabis, useable cannabis, cannabis concentrates, and cannabis-infused products under RCW 69.50.535, and the license fees, penalties, and forfeitures derived under this chapter from cannabis producer, cannabis processor, cannabis researcher, and cannabis retailer

licenses, must be deposited in the account. Moneys in the account may only be spent after appropriation.”

[RCW 69.50.540](#) Appropriations.

RCW 69.50.540(1) sets forth appropriations by the legislature for fixed dollar amounts, including funding for the Board, Washington Department of Health, Washington state university, and others.

RCW 69.50.540(3) sets forth appropriations for other purposes by percentage, including funding for the state basic health plan trust account, the Washington Health Care Authority, the state General Fund, local government, and others.

Analysis

The petitioner has requested creation of a new rule that would allocate funding from cannabis revenue to support trauma-informed counseling for individuals who now may be seeking opportunities within cannabis the cannabis industry, and for research into the effects of past trauma. The petitioner stated they believe this allocated funding would foster a safe, fair, and equitable cannabis industry.

Under existing Washington law in RCW 69.50.530, all cannabis revenue including excise taxes collected from sales of cannabis products in Washington, as well as all cannabis license fees, penalties, and forfeitures received from any cannabis licensee, must be deposited in a special dedicated cannabis account created in the state treasury. Additionally, RCW 69.50.530 requires that funds in this dedicated cannabis account may only be spent by appropriation by legislature. The LCB does not have the authority to determine how money from the special dedicated cannabis account is spent. Therefore, in order for the petitioner’s request to be accomplished, they should direct their request to the legislature during the current legislative session.

Conclusion



Because these cannabis revenues must be deposited in the dedicated cannabis account and may only be spent after appropriation by the legislature, the Board does not have authority to a develop a new rule to allocate cannabis revenue for counseling and research as requested by the petitioner.

Recommendation

For the reasons described above, Director’s Office staff recommend that consistent with RCW 34.05.330(1)(b), the Board deny Ash Sjodin’s petition for amending of rules submitted on December 3, 2024.

Board Action

After considering the recommendation of Director's Office staff, the Board accepts/denies the petition for rulemaking received from Ash Sjodin on January 29, 2024.

<input type="checkbox"/> Accept <input checked="" type="checkbox"/> Deny	 _____ Jim Vollendroff, Chair	<u>1/29/2025</u> Date
<input type="checkbox"/> Accept <input checked="" type="checkbox"/> Deny	 _____ Ollie Garrett, Board Member	<u>1/29/2025</u> Date
<input type="checkbox"/> Accept <input checked="" type="checkbox"/> Deny	 _____ Pete Holmes, Board Member	<u>1/29/2025</u> Date

Attachments

1. Email from Ash Sjodin