

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 6177

64th Legislature
2016 Regular Session

Passed by the Senate February 5, 2016
Yeas 49 Nays 0

President of the Senate

Passed by the House March 1, 2016
Yeas 93 Nays 4

Speaker of the House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6177** as passed by Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 6177

Passed Legislature - 2016 Regular Session

State of Washington 64th Legislature 2016 Regular Session

By Senate Commerce & Labor (originally sponsored by Senator Rivers)

READ FIRST TIME 01/21/16.

1 AN ACT Relating to the marijuana research license; and amending
2 RCW 69.50.372, 43.350.030, and 42.56.270.

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

4 **Sec. 1.** RCW 69.50.372 and 2015 2nd sp.s. c 4 s 1501 are each
5 amended to read as follows:

6 (1) (~~There shall be~~) A marijuana research license is
7 established that permits a licensee to produce, process, and possess
8 marijuana for the following limited research purposes:

9 (a) To test chemical potency and composition levels;

10 (b) To conduct clinical investigations of marijuana-derived drug
11 products;

12 (c) To conduct research on the efficacy and safety of
13 administering marijuana as part of medical treatment; and

14 (d) To conduct genomic or agricultural research.

15 (2) As part of the application process for a marijuana research
16 license, an applicant must submit to the (~~life sciences discovery~~
17 ~~fund authority~~) liquor and cannabis board's designated scientific
18 reviewer a description of the research that is intended to be
19 conducted. The (~~life sciences discovery fund authority must~~) liquor
20 and cannabis board must select a scientific reviewer to review
21 (~~the~~) an applicant's research project and determine that it meets

1 the requirements of subsection (1) of this section, as well as assess
2 the following:

3 (a) Project quality, study design, value, or impact;

4 (b) Whether applicants have the appropriate personnel, expertise,
5 facilities/infrastructure, funding, and human/animal/other federal
6 approvals in place to successfully conduct the project; and

7 (c) Whether the amount of marijuana to be grown by the applicant
8 is consistent with the project's scope and goals.

9 If the (~~life sciences discovery fund authority~~) scientific
10 reviewer determines that the research project does not meet the
11 requirements of subsection (1) of this section, the application must
12 be denied.

13 (3) A marijuana research licensee may only sell marijuana grown
14 or within its operation to other marijuana research licensees. The
15 (~~state~~) liquor and cannabis board may revoke a marijuana research
16 license for violations of this subsection.

17 (4) A marijuana research licensee may contract with the
18 University of Washington or Washington State University to perform
19 research in conjunction with the university. All research projects,
20 not including those projects conducted pursuant to a contract entered
21 into under RCW 28B.20.502(3), must be approved by the (~~life sciences~~
22 ~~discovery fund authority~~) scientific reviewer and meet the
23 requirements of subsection (1) of this section.

24 (5) In establishing a marijuana research license, the (~~state~~)
25 liquor and cannabis board may adopt rules on the following:

26 (a) Application requirements;

27 (b) Marijuana research license renewal requirements, including
28 whether additional research projects may be added or considered;

29 (c) Conditions for license revocation;

30 (d) Security measures to ensure marijuana is not diverted to
31 purposes other than research;

32 (e) Amount of plants, useable marijuana, marijuana concentrates,
33 or marijuana-infused products a licensee may have on its premises;

34 (f) Licensee reporting requirements;

35 (g) Conditions under which marijuana grown by marijuana
36 processors may be donated to marijuana research licensees; and

37 (h) Additional requirements deemed necessary by the (~~state~~)
38 liquor and cannabis board.

39 (6) The production, processing, possession, delivery, donation,
40 and sale of marijuana in accordance with this section and the rules

1 adopted to implement and enforce it, by a validly licensed marijuana
2 researcher, shall not be a criminal or civil offense under Washington
3 state law. Every marijuana research license must be issued in the
4 name of the applicant, must specify the location at which the
5 marijuana researcher intends to operate, which must be within the
6 state of Washington, and the holder thereof may not allow any other
7 person to use the license.

8 (7) The application fee for a marijuana research license is two
9 hundred fifty dollars. The annual fee for issuance and renewal of a
10 marijuana research license is one thousand dollars. (~~Fifty percent~~
11 ~~of the application fee, the issuance fee, and the renewal fee must be~~
12 ~~deposited to the life sciences discovery fund under RCW 43.350.070,~~
13 ~~or, if that fund ceases to exist, to the general fund.)) The
14 applicant must pay the cost of the review process directly to the
15 scientific reviewer as designated by the liquor and cannabis board.~~

16 (8) The scientific reviewer shall review any reports made by
17 marijuana research licensees under liquor and cannabis board rule and
18 provide the liquor and cannabis board with its determination on
19 whether the research project continues to meet research
20 qualifications under this section.

21 (9) For the purposes of this section, "scientific reviewer" means
22 an organization that convenes or contracts with persons who have the
23 training and experience in research practice and research methodology
24 to determine whether a project meets the criteria for a marijuana
25 research license under this section and to review any reports
26 submitted by marijuana research licensees under liquor and cannabis
27 board rule. "Scientific reviewers" include, but are not limited to,
28 educational institutions, research institutions, peer review bodies,
29 or such other organizations that are focused on science or research
30 in its day-to-day activities.

31 **Sec. 2.** RCW 43.350.030 and 2015 2nd sp.s. c 4 s 1503 are each
32 amended to read as follows:

33 In addition to other powers and duties prescribed in this
34 chapter, the authority is empowered to:

35 (1) Use public moneys in the life sciences discovery fund,
36 leveraging those moneys with amounts received from other public and
37 private sources in accordance with contribution agreements, to
38 promote life sciences research;

1 (2) Solicit and receive gifts, grants, and bequests, and enter
2 into contribution agreements with private entities and public
3 entities other than the state to receive moneys in consideration of
4 the authority's promise to leverage those moneys with amounts
5 received through appropriations from the legislature and
6 contributions from other public entities and private entities, in
7 order to use those moneys to promote life sciences research. Nonstate
8 moneys received by the authority for this purpose shall be deposited
9 in the life sciences discovery fund created in RCW 43.350.070;

10 (3) Hold funds received by the authority in trust for their use
11 pursuant to this chapter to promote life sciences research;

12 (4) Manage its funds, obligations, and investments as necessary
13 and as consistent with its purpose including the segregation of
14 revenues into separate funds and accounts;

15 (5) Make grants to entities pursuant to contract for the
16 promotion of life sciences research to be conducted in the state.
17 Grant agreements must specify deliverables to be provided by the
18 recipient pursuant to the grant. The authority shall solicit requests
19 for funding and evaluate the requests by reference to factors such
20 as: (a) The quality of the proposed research; (b) its potential to
21 improve health outcomes, with particular attention to the likelihood
22 that it will also lower health care costs, substitute for a more
23 costly diagnostic or treatment modality, or offer a breakthrough
24 treatment for a particular disease or condition; (c) its potential
25 for leveraging additional funding; (d) its potential to provide
26 health care benefits or benefit human learning and development; (e)
27 its potential to stimulate the health care delivery, biomedical
28 manufacturing, and life sciences related employment in the state; (f)
29 the geographic diversity of the grantees within Washington; (g)
30 evidence of potential royalty income and contractual means to
31 recapture such income for purposes of this chapter; and (h) evidence
32 of public and private collaboration;

33 (6) Create one or more advisory boards composed of scientists,
34 industrialists, and others familiar with life sciences research; and

35 ~~(7) ((Review and approve or disapprove marijuana research license
36 applications under RCW 69.50.372;~~

37 ~~(8) Review any reports made by marijuana research licensees under
38 state liquor and cannabis board rule and provide the state liquor and
39 cannabis board with its determination on whether the research project
40 continues to meet research qualifications under RCW 69.50.372(1); and~~

1 ~~(9))~~) Adopt policies and procedures to facilitate the orderly
2 process of grant application, review, and reward.

3 **Sec. 3.** RCW 42.56.270 and 2015 c 274 s 24 are each amended to
4 read as follows:

5 The following financial, commercial, and proprietary information
6 is exempt from disclosure under this chapter:

7 (1) Valuable formulae, designs, drawings, computer source code or
8 object code, and research data obtained by any agency within five
9 years of the request for disclosure when disclosure would produce
10 private gain and public loss;

11 (2) Financial information supplied by or on behalf of a person,
12 firm, or corporation for the purpose of qualifying to submit a bid or
13 proposal for (a) a ferry system construction or repair contract as
14 required by RCW 47.60.680 through 47.60.750 or (b) highway
15 construction or improvement as required by RCW 47.28.070;

16 (3) Financial and commercial information and records supplied by
17 private persons pertaining to export services provided under chapters
18 43.163 and 53.31 RCW, and by persons pertaining to export projects
19 under RCW 43.23.035;

20 (4) Financial and commercial information and records supplied by
21 businesses or individuals during application for loans or program
22 services provided by chapters 43.325, 43.163, 43.160, 43.330, and
23 43.168 RCW, or during application for economic development loans or
24 program services provided by any local agency;

25 (5) Financial information, business plans, examination reports,
26 and any information produced or obtained in evaluating or examining a
27 business and industrial development corporation organized or seeking
28 certification under chapter 31.24 RCW;

29 (6) Financial and commercial information supplied to the state
30 investment board by any person when the information relates to the
31 investment of public trust or retirement funds and when disclosure
32 would result in loss to such funds or in private loss to the
33 providers of this information;

34 (7) Financial and valuable trade information under RCW 51.36.120;

35 (8) Financial, commercial, operations, and technical and research
36 information and data submitted to or obtained by the clean Washington
37 center in applications for, or delivery of, program services under
38 chapter 70.95H RCW;

1 (9) Financial and commercial information requested by the public
2 stadium authority from any person or organization that leases or uses
3 the stadium and exhibition center as defined in RCW 36.102.010;

4 (10)(a) Financial information, including but not limited to
5 account numbers and values, and other identification numbers supplied
6 by or on behalf of a person, firm, corporation, limited liability
7 company, partnership, or other entity related to an application for a
8 horse racing license submitted pursuant to RCW 67.16.260(1)(b),
9 marijuana producer, processor, or retailer license, liquor license,
10 gambling license, or lottery retail license;

11 (b) Internal control documents, independent auditors' reports and
12 financial statements, and supporting documents: (i) Of house-banked
13 social card game licensees required by the gambling commission
14 pursuant to rules adopted under chapter 9.46 RCW; or (ii) submitted
15 by tribes with an approved tribal/state compact for class III gaming;

16 (11) Proprietary data, trade secrets, or other information that
17 relates to: (a) A vendor's unique methods of conducting business; (b)
18 data unique to the product or services of the vendor; or (c)
19 determining prices or rates to be charged for services, submitted by
20 any vendor to the department of social and health services for
21 purposes of the development, acquisition, or implementation of state
22 purchased health care as defined in RCW 41.05.011;

23 (12)(a) When supplied to and in the records of the department of
24 commerce:

25 (i) Financial and proprietary information collected from any
26 person and provided to the department of commerce pursuant to RCW
27 43.330.050(8); and

28 (ii) Financial or proprietary information collected from any
29 person and provided to the department of commerce or the office of
30 the governor in connection with the siting, recruitment, expansion,
31 retention, or relocation of that person's business and until a siting
32 decision is made, identifying information of any person supplying
33 information under this subsection and the locations being considered
34 for siting, relocation, or expansion of a business;

35 (b) When developed by the department of commerce based on
36 information as described in (a)(i) of this subsection, any work
37 product is not exempt from disclosure;

38 (c) For the purposes of this subsection, "siting decision" means
39 the decision to acquire or not to acquire a site;

1 (d) If there is no written contact for a period of sixty days to
2 the department of commerce from a person connected with siting,
3 recruitment, expansion, retention, or relocation of that person's
4 business, information described in (a)(ii) of this subsection will be
5 available to the public under this chapter;

6 (13) Financial and proprietary information submitted to or
7 obtained by the department of ecology or the authority created under
8 chapter 70.95N RCW to implement chapter 70.95N RCW;

9 (14) Financial, commercial, operations, and technical and
10 research information and data submitted to or obtained by the life
11 sciences discovery fund authority in applications for, or delivery
12 of, grants under chapter 43.350 RCW, to the extent that such
13 information, if revealed, would reasonably be expected to result in
14 private loss to the providers of this information;

15 (15) Financial and commercial information provided as evidence to
16 the department of licensing as required by RCW 19.112.110 or
17 19.112.120, except information disclosed in aggregate form that does
18 not permit the identification of information related to individual
19 fuel licensees;

20 (16) Any production records, mineral assessments, and trade
21 secrets submitted by a permit holder, mine operator, or landowner to
22 the department of natural resources under RCW 78.44.085;

23 (17)(a) Farm plans developed by conservation districts, unless
24 permission to release the farm plan is granted by the landowner or
25 operator who requested the plan, or the farm plan is used for the
26 application or issuance of a permit;

27 (b) Farm plans developed under chapter 90.48 RCW and not under
28 the federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject
29 to RCW 42.56.610 and 90.64.190;

30 (18) Financial, commercial, operations, and technical and
31 research information and data submitted to or obtained by a health
32 sciences and services authority in applications for, or delivery of,
33 grants under RCW 35.104.010 through 35.104.060, to the extent that
34 such information, if revealed, would reasonably be expected to result
35 in private loss to providers of this information;

36 (19) Information gathered under chapter 19.85 RCW or RCW
37 34.05.328 that can be identified to a particular business;

38 (20) Financial and commercial information submitted to or
39 obtained by the University of Washington, other than information the
40 university is required to disclose under RCW 28B.20.150, when the

1 information relates to investments in private funds, to the extent
2 that such information, if revealed, would reasonably be expected to
3 result in loss to the University of Washington consolidated endowment
4 fund or to result in private loss to the providers of this
5 information;

6 (21) Market share data submitted by a manufacturer under RCW
7 70.95N.190(4);

8 (22) Financial information supplied to the department of
9 financial institutions or to a portal under RCW 21.20.883, when filed
10 by or on behalf of an issuer of securities for the purpose of
11 obtaining the exemption from state securities registration for small
12 securities offerings provided under RCW 21.20.880 or when filed by or
13 on behalf of an investor for the purpose of purchasing such
14 securities; (~~and~~)

15 (23) Unaggregated or individual notices of a transfer of crude
16 oil that is financial, proprietary, or commercial information,
17 submitted to the department of ecology pursuant to RCW
18 90.56.565(1)(a), and that is in the possession of the department of
19 ecology or any entity with which the department of ecology has shared
20 the notice pursuant to RCW 90.56.565; and

21 (24) Proprietary financial, commercial, operations, and technical
22 and research information and data submitted to or obtained by the
23 liquor and cannabis board in applications for marijuana research
24 licenses under RCW 69.50.372, or in reports submitted by marijuana
25 research licensees in accordance with rules adopted by the liquor and
26 cannabis board under RCW 69.50.372.

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