CERTIFICATION OF ENROLLMENT

SENATE BILL 5121

Chapter 71, Laws of 2015

64th Legislature 2015 Regular Session

MARIJUANA RESEARCH LICENSE

EFFECTIVE DATE: 7/24/2015

Passed by the Senate March 2, 2015 Yeas 45 Nays 3

BRAD OWEN

President of the Senate

Passed by the House April 10, 2015 Yeas 95 Nays 0

FRANK CHOPP Speaker of the House of Representatives

Approved April 24, 2015 2:56 PM

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 5121** as passed by Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

Secretary

FILED

April 25, 2015

JAY INSLEE

Governor of the State of Washington

Secretary of State State of Washington

SENATE BILL 5121

Passed Legislature - 2015 Regular Session

State of Washington 64th Legislature 2015 Regular Session

By Senators Kohl-Welles, Rivers, Bailey, Pedersen, Liias, McAuliffe, Frockt, Chase, Keiser, and Hatfield

Read first time 01/14/15. Referred to Committee on Health Care.

- 1 AN ACT Relating to establishing a marijuana research license;
- 2 amending RCW 28B.20.502 and 43.350.030; adding a new section to
- 3 chapter 69.50 RCW; and adding a new section to chapter 42.56 RCW.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 <u>NEW SECTION.</u> **Sec. 1.** A new section is added to chapter 69.50 6 RCW to read as follows:
- 7 (1) There shall be a marijuana research license that permits a 8 licensee to produce and possess marijuana for the following limited 9 research purposes:
 - (a) To test chemical potency and composition levels;
- 11 (b) To conduct clinical investigations of marijuana-derived drug products;
- 13 (c) To conduct research on the efficacy and safety of 14 administering marijuana as part of medical treatment; and
- 15 (d) To conduct genomic or agricultural research.

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16 (2) As part of the application process for a marijuana research
17 license, an applicant must submit to the life sciences discovery fund
18 authority a description of the research that is intended to be
19 conducted. The life sciences discovery fund authority must review the
20 project and determine that it meets the requirements of subsection
21 (1) of this section. If the life sciences discovery fund authority

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- determines that the research project does not meet the requirements of subsection (1) of this section, the application must be denied.
 - (3) A marijuana research licensee may only sell marijuana grown or within its operation to other marijuana research licensees. The state liquor control board may revoke a marijuana research license for violations of this subsection.
 - (4) A marijuana research licensee may contract with the University of Washington or Washington State University to perform research in conjunction with the university. All research projects must be approved by the life sciences discovery fund authority and meet the requirements of subsection (1) of this section.
- 12 (5) In establishing a marijuana research license, the state 13 liquor control board may adopt rules on the following:
 - (a) Application requirements;

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- 15 (b) Marijuana research license renewal requirements, including 16 whether additional research projects may be added or considered;
 - (c) Conditions for license revocation;
 - (d) Security measures to ensure marijuana is not diverted to purposes other than research;
 - (e) Amount of plants, useable marijuana, marijuana concentrates, or marijuana-infused products a licensee may have on its premises;
 - (f) Licensee reporting requirements;
- 23 (g) Conditions under which marijuana grown by marijuana 24 processors may be donated to marijuana research licensees; and
 - (h) Additional requirements deemed necessary by the state liquor control board.
 - (6) The production, possession, delivery, donation, and sale of marijuana in accordance with this section and the rules adopted to implement and enforce it, by a validly licensed marijuana researcher, shall not be a criminal or civil offense under Washington state law. Every marijuana research license shall be issued in the name of the applicant, shall specify the location at which the marijuana researcher intends to operate, which must be within the state of Washington, and the holder thereof shall not allow any other person to use the license.
- 36 (7) The application fee for a marijuana research license is two 37 hundred fifty dollars. The annual fee for issuance and renewal of a 38 marijuana research license is one thousand dollars. Fifty percent of 39 the application fee and the renewal fee must be deposited to the life 40 sciences discovery fund under RCW 43.350.070.

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Sec. 2. RCW 28B.20.502 and 2011 c 181 s 1002 are each amended to read as follows:

- (1) The University of Washington and Washington State University may conduct scientific research on the efficacy and safety of administering ((cannabis))marijuana as part of medical treatment. As part of this research, the University of Washington and Washington State University may develop and conduct studies to ascertain the general medical safety and efficacy of ((cannabis))marijuana, and may develop medical guidelines for the appropriate administration and use of ((cannabis))marijuana.
- 11 (2) The University of Washington and Washington State University
 12 may, in accordance with section 1 of this act, contract with
 13 marijuana research licensees to conduct research permitted under this
 14 section and section 1 of this act.
- **Sec. 3.** RCW 43.350.030 and 2005 c 424 s 4 are each amended to 16 read as follows:
 - In addition to other powers and duties prescribed in this chapter, the authority is empowered to:
 - (1) Use public moneys in the life sciences discovery fund, leveraging those moneys with amounts received from other public and private sources in accordance with contribution agreements, to promote life sciences research;
 - (2) Solicit and receive gifts, grants, and bequests, and enter into contribution agreements with private entities and public entities other than the state to receive moneys in consideration of the authority's promise to leverage those moneys with amounts received through appropriations from the legislature and contributions from other public entities and private entities, in order to use those moneys to promote life sciences research. Nonstate moneys received by the authority for this purpose shall be deposited in the life sciences discovery fund created in RCW 43.350.070;
 - (3) Hold funds received by the authority in trust for their use pursuant to this chapter to promote life sciences research;
 - (4) Manage its funds, obligations, and investments as necessary and as consistent with its purpose including the segregation of revenues into separate funds and accounts;
- 37 (5) Make grants to entities pursuant to contract for the 38 promotion of life sciences research to be conducted in the state. 39 Grant agreements shall specify deliverables to be provided by the

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- recipient pursuant to the grant. The authority shall solicit requests 1 2 for funding and evaluate the requests by reference to factors such as: (a) The quality of the proposed research; (b) its potential to 3 improve health outcomes, with particular attention to the likelihood 4 that it will also lower health care costs, substitute for a more 5 6 costly diagnostic or treatment modality, or offer a breakthrough 7 treatment for a particular disease or condition; (c) its potential for leveraging additional funding; (d) its potential to provide 8 health care benefits or benefit human learning and development; (e) 9 its potential to stimulate the health care delivery, biomedical 10 11 manufacturing, and life sciences related employment in the state; (f) the geographic diversity of the grantees within Washington; (g) 12 evidence of potential royalty income and contractual means to 13 14 recapture such income for purposes of this chapter; and (h) evidence of public and private collaboration; 15
- 16 (6) Create one or more advisory boards composed of scientists, 17 industrialists, and others familiar with life sciences research; 18 ((and))
- 19 (7) Review and approve or disapprove marijuana research license 20 applications under section 1 of this act;
- 21 (8) Review any reports made by marijuana research licensees under 22 state liquor control board rule and provide the state liquor control 23 board with its determination on whether the research project 24 continues to meet research qualifications under section 1(1) of this 25 act; and
- 26 <u>(9)</u> Adopt policies and procedures to facilitate the orderly process of grant application, review, and reward.
- NEW SECTION. Sec. 4. A new section is added to chapter 42.56 RCW to read as follows:
- 30 Reports submitted by marijuana research licensees in accordance 31 with rules adopted by the state liquor control board under section 1 32 of this act that contain proprietary information are exempt from 33 disclosure under this chapter.

Passed by the Senate March 2, 2015. Passed by the House April 10, 2015. Approved by the Governor April 24, 2015. Filed in Office of Secretary of State April 25, 2015.

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