
HOUSE BILL 1096

State of Washington

65th Legislature

2017 Regular Session

By Representatives Appleton, Chapman, and Dolan

Read first time 01/11/17. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to removing the limit on the total number of
2 marijuana retail outlets that may be licensed; amending RCW
3 69.50.354, 69.50.345, 69.50.342, and 69.50.375; and adding a new
4 section to chapter 69.51A RCW.

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

6 **Sec. 1.** RCW 69.50.354 and 2015 c 70 s 9 are each amended to read
7 as follows:

8 (1) There may be licensed(~~(, in no greater number in each of the~~
9 ~~counties of the state than as the state liquor and cannabis board~~
10 ~~shall deem advisable,)) retail outlets established for the purpose of
11 making marijuana concentrates, useable marijuana, and marijuana-
12 infused products available for sale to adults aged twenty-one and
13 over. Retail sale of marijuana concentrates, useable marijuana, and
14 marijuana-infused products in accordance with the provisions of this
15 chapter and the rules adopted to implement and enforce it, by a
16 validly licensed marijuana retailer or retail outlet employee, shall
17 not be a criminal or civil offense under Washington state law.~~

18 (2)(a) Nothing in this chapter or chapter 69.51A RCW limits the
19 total number of retail outlets that may be licensed in the state, or
20 in any county, city, or town.

1 (b) This subsection (2) does not prohibit the state liquor and
2 cannabis board from establishing a limit on the total number of
3 marijuana licenses that an individual licensee and all other persons
4 or entities with a financial or other ownership interest in the
5 business operating under the license may hold, in the aggregate.

6 **Sec. 2.** RCW 69.50.345 and 2015 c 70 s 8 are each amended to read
7 as follows:

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

11 (1) Licensing of marijuana producers, marijuana processors, and
12 marijuana retailers, including prescribing forms and establishing
13 application, reinstatement, and renewal fees.

14 (a) Application forms for marijuana producers must request the
15 applicant to state whether the applicant intends to produce marijuana
16 for sale by marijuana retailers holding medical marijuana
17 endorsements and the amount of or percentage of canopy the applicant
18 intends to commit to growing plants determined by the department
19 under RCW 69.50.375 to be of a THC concentration, CBD concentration,
20 or THC to CBD ratio appropriate for marijuana concentrates, useable
21 marijuana, or marijuana-infused products sold to qualifying patients.

22 (b) The state liquor and cannabis board must reconsider and
23 increase limits on the amount of square feet permitted to be in
24 production on July 24, 2015, and increase the percentage of
25 production space for those marijuana producers who intend to grow
26 plants for marijuana retailers holding medical marijuana endorsements
27 if the marijuana producer designates the increased production space
28 to plants determined by the department under RCW 69.50.375 to be of a
29 THC concentration, CBD concentration, or THC to CBD ratio appropriate
30 for marijuana concentrates, useable marijuana, or marijuana-infused
31 products to be sold to qualifying patients. If current marijuana
32 producers do not use all the increased production space, the state
33 liquor and cannabis board may reopen the license period for new
34 marijuana producer license applicants but only to those marijuana
35 producers who agree to grow plants for marijuana retailers holding
36 medical marijuana endorsements. Priority in licensing must be given
37 to marijuana producer license applicants who have an application
38 pending on July 24, 2015, but who are not yet licensed and then to
39 new marijuana producer license applicants. After January 1, 2017, any

1 reconsideration of the limits on the amount of square feet permitted
2 to be in production to meet the medical needs of qualifying patients
3 must consider information contained in the medical marijuana
4 authorization database established in RCW 69.51A.230;

5 ~~(2) ((Determining, in consultation with the office of financial
6 management, the maximum number of retail outlets that may be licensed
7 in each county, taking into consideration:~~

8 ~~(a) Population distribution;~~

9 ~~(b) Security and safety issues;~~

10 ~~(c) The provision of adequate access to licensed sources of
11 marijuana concentrates, useable marijuana, and marijuana-infused
12 products to discourage purchases from the illegal market; and~~

13 ~~(d) The number of retail outlets holding medical marijuana
14 endorsements necessary to meet the medical needs of qualifying
15 patients. The state liquor and cannabis board must reconsider and
16 increase the maximum number of retail outlets it established before
17 July 24, 2015, and allow for a new license application period and a
18 greater number of retail outlets to be permitted in order to
19 accommodate the medical needs of qualifying patients and designated
20 providers. After January 1, 2017, any reconsideration of the maximum
21 number of retail outlets needed to meet the medical needs of
22 qualifying patients must consider information contained in the
23 medical marijuana authorization database established in RCW
24 69.51A.230;~~

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

28 ~~((4)) (3) Determining the maximum quantities of marijuana,
29 marijuana concentrates, useable marijuana, and marijuana-infused
30 products a marijuana processor may have on the premises of a licensed
31 location at any time without violating Washington state law;~~

32 ~~((5)) (4) Determining the maximum quantities of marijuana
33 concentrates, useable marijuana, and marijuana-infused products a
34 marijuana retailer may have on the premises of a retail outlet at any
35 time without violating Washington state law;~~

36 ~~((6)) (5) In making the determinations required by this
37 section, the state liquor and cannabis board shall take into
38 consideration:~~

39 ~~(a) Security and safety issues;~~

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

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

7 (~~(+7)~~) (6) Determining the nature, form, and capacity of all
8 containers to be used by licensees to contain marijuana, marijuana
9 concentrates, useable marijuana, and marijuana-infused products, and
10 their labeling requirements, to include but not be limited to:

11 (a) The business or trade name and Washington state unified
12 business identifier number of the licensees that processed and sold
13 the marijuana, marijuana concentrates, useable marijuana, or
14 marijuana-infused product;

15 (b) Lot numbers of the marijuana, marijuana concentrates, useable
16 marijuana, or marijuana-infused product;

17 (c) THC concentration and CBD concentration of the marijuana,
18 marijuana concentrates, useable marijuana, or marijuana-infused
19 product;

20 (d) Medically and scientifically accurate information about the
21 health and safety risks posed by marijuana use; and

22 (e) Language required by RCW 69.04.480;

23 (~~(+8)~~) (7) In consultation with the department of agriculture
24 and the department, establishing classes of marijuana, marijuana
25 concentrates, useable marijuana, and marijuana-infused products
26 according to grade, condition, cannabinoid profile, THC
27 concentration, CBD concentration, or other qualitative measurements
28 deemed appropriate by the state liquor and cannabis board;

29 (~~(+9)~~) (8) Establishing reasonable time, place, and manner
30 restrictions and requirements regarding advertising of marijuana,
31 marijuana concentrates, useable marijuana, and marijuana-infused
32 products that are not inconsistent with the provisions of this
33 chapter, taking into consideration:

34 (a) Federal laws relating to marijuana that are applicable within
35 Washington state;

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

38 (c) The inclusion of medically and scientifically accurate
39 information about the health and safety risks posed by marijuana use
40 in the advertising; and

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

3 ~~((+10+))~~ (9) Specifying and regulating the time and periods when,
4 and the manner, methods, and means by which, licensees shall
5 transport and deliver marijuana, marijuana concentrates, useable
6 marijuana, and marijuana-infused products within the state;

7 ~~((+11+))~~ (10) In consultation with the department and the
8 department of agriculture, establishing accreditation requirements
9 for testing laboratories used by licensees to demonstrate compliance
10 with standards adopted by the state liquor and cannabis board, and
11 prescribing methods of producing, processing, and packaging
12 marijuana, marijuana concentrates, useable marijuana, and marijuana-
13 infused products; conditions of sanitation; and standards of
14 ingredients, quality, and identity of marijuana, marijuana
15 concentrates, useable marijuana, and marijuana-infused products
16 produced, processed, packaged, or sold by licensees;

17 ~~((+12+))~~ (11) Specifying procedures for identifying, seizing,
18 confiscating, destroying, and donating to law enforcement for
19 training purposes all marijuana, marijuana concentrates, useable
20 marijuana, and marijuana-infused products produced, processed,
21 packaged, labeled, or offered for sale in this state that do not
22 conform in all respects to the standards prescribed by this chapter
23 or the rules of the state liquor and cannabis board.

24 **Sec. 3.** RCW 69.50.342 and 2015 2nd sp.s. c 4 s 1601 are each
25 amended to read as follows:

26 (1) For the purpose of carrying into effect the provisions of
27 chapter 3, Laws of 2013 according to their true intent or of
28 supplying any deficiency therein, and except as limited by subsection
29 (3) of this section, the state liquor and cannabis board may adopt
30 rules not inconsistent with the spirit of chapter 3, Laws of 2013 as
31 are deemed necessary or advisable. Without limiting the generality of
32 the preceding sentence, the state liquor and cannabis board is
33 empowered to adopt rules regarding the following:

34 (a) The equipment and management of retail outlets and premises
35 where marijuana is produced or processed, and inspection of the
36 retail outlets and premises where marijuana is produced or processed;

37 (b) The books and records to be created and maintained by
38 licensees, the reports to be made thereon to the state liquor and
39 cannabis board, and inspection of the books and records;

1 (c) Methods of producing, processing, and packaging marijuana,
2 useable marijuana, marijuana concentrates, and marijuana-infused
3 products; conditions of sanitation; safe handling requirements;
4 approved pesticides and pesticide testing requirements; and standards
5 of ingredients, quality, and identity of marijuana, useable
6 marijuana, marijuana concentrates, and marijuana-infused products
7 produced, processed, packaged, or sold by licensees;

8 (d) Security requirements for retail outlets and premises where
9 marijuana is produced or processed, and safety protocols for
10 licensees and their employees;

11 (e) Screening, hiring, training, and supervising employees of
12 licensees;

13 (f) Retail outlet locations and hours of operation, except that a
14 rule may not limit the total number of retail outlets that may be
15 licensed in the state, or in any county, city, or town;

16 (g) Labeling requirements and restrictions on advertisement of
17 marijuana, useable marijuana, marijuana concentrates, cannabis health
18 and beauty aids, and marijuana-infused products for sale in retail
19 outlets;

20 (h) Forms to be used for purposes of this chapter and chapter
21 69.51A RCW or the rules adopted to implement and enforce these
22 chapters, the terms and conditions to be contained in licenses issued
23 under this chapter and chapter 69.51A RCW, and the qualifications for
24 receiving a license issued under this chapter and chapter 69.51A RCW,
25 including a criminal history record information check. The state
26 liquor and cannabis board may submit any criminal history record
27 information check to the Washington state patrol and to the
28 identification division of the federal bureau of investigation in
29 order that these agencies may search their records for prior arrests
30 and convictions of the individual or individuals who filled out the
31 forms. The state liquor and cannabis board must require
32 fingerprinting of any applicant whose criminal history record
33 information check is submitted to the federal bureau of
34 investigation;

35 (i) Application, reinstatement, and renewal fees for licenses
36 issued under this chapter and chapter 69.51A RCW, and fees for
37 anything done or permitted to be done under the rules adopted to
38 implement and enforce this chapter and chapter 69.51A RCW;

1 (j) The manner of giving and serving notices required by this
2 chapter and chapter 69.51A RCW or rules adopted to implement or
3 enforce these chapters;

4 (k) Times and periods when, and the manner, methods, and means by
5 which, licensees transport and deliver marijuana, marijuana
6 concentrates, useable marijuana, and marijuana-infused products
7 within the state;

8 (l) Identification, seizure, confiscation, destruction, or
9 donation to law enforcement for training purposes of all marijuana,
10 marijuana concentrates, useable marijuana, and marijuana-infused
11 products produced, processed, sold, or offered for sale within this
12 state which do not conform in all respects to the standards
13 prescribed by this chapter or chapter 69.51A RCW or the rules adopted
14 to implement and enforce these chapters.

15 (2) Rules adopted on retail outlets holding medical marijuana
16 endorsements must be adopted in coordination and consultation with
17 the department.

18 (3)(a) A rule may not limit the total number of retail outlets
19 that may be licensed in the state, or in any county, city, or town.

20 (b) This section does not prohibit the state liquor and cannabis
21 board from establishing a limit on the total number of marijuana
22 licenses that an individual licensee and all other persons or
23 entities with a financial or other ownership interest in the business
24 operating under the license may hold, in the aggregate.

25 **Sec. 4.** RCW 69.50.375 and 2015 c 70 s 10 are each amended to
26 read as follows:

27 (1) A medical marijuana endorsement to a marijuana retail license
28 is hereby established to permit a marijuana retailer to sell
29 marijuana for medical use to qualifying patients and designated
30 providers. This endorsement also permits such retailers to provide
31 marijuana at no charge, at their discretion, to qualifying patients
32 and designated providers.

33 (2) An applicant may apply for a medical marijuana endorsement
34 concurrently with an application for a marijuana retail license.

35 (3) To be issued an endorsement, a marijuana retailer must:

36 (a) Not authorize the medical use of marijuana for qualifying
37 patients at the retail outlet or permit health care professionals to
38 authorize the medical use of marijuana for qualifying patients at the
39 retail outlet;

1 (b) Carry marijuana concentrates and marijuana-infused products
2 identified by the department under subsection (4) of this section;

3 (c) Not use labels or market marijuana concentrates, useable
4 marijuana, or marijuana-infused products in a way that make them
5 intentionally attractive to minors;

6 (d) Demonstrate the ability to enter qualifying patients and
7 designated providers in the medical marijuana authorization database
8 established in RCW 69.51A.230 and issue recognition cards and agree
9 to enter qualifying patients and designated providers into the
10 database and issue recognition cards in compliance with department
11 standards;

12 (e) Keep copies of the qualifying patient's or designated
13 provider's recognition card, or keep equivalent records as required
14 by rule of the state liquor and cannabis board or the department of
15 revenue to document the validity of tax exempt sales; and

16 (f) Meet other requirements as adopted by rule of the department
17 or the state liquor and cannabis board.

18 (4) The department, in conjunction with the state liquor and
19 cannabis board, must adopt rules on requirements for marijuana
20 concentrates, useable marijuana, and marijuana-infused products that
21 may be sold, or provided at no charge, to qualifying patients or
22 designated providers at a retail outlet holding a medical marijuana
23 endorsement. These rules must include:

24 (a) THC concentration, CBD concentration, or low THC, high CBD
25 ratios appropriate for marijuana concentrates, useable marijuana, or
26 marijuana-infused products sold to qualifying patients or designated
27 providers;

28 (b) Labeling requirements including that the labels attached to
29 marijuana concentrates, useable marijuana, or marijuana-infused
30 products contain THC concentration, CBD concentration, and THC to CBD
31 ratios;

32 (c) Other product requirements, including any additional mold,
33 fungus, or pesticide testing requirements, or limitations to the
34 types of solvents that may be used in marijuana processing that the
35 department deems necessary to address the medical needs of qualifying
36 patients;

37 (d) Safe handling requirements for marijuana concentrates,
38 useable marijuana, or marijuana-infused products; and

39 (e) Training requirements for employees.

1 (5) A marijuana retailer holding an endorsement to sell marijuana
2 to qualifying patients or designated providers must train its
3 employees on:

4 (a) Procedures regarding the recognition of valid authorizations
5 and the use of equipment to enter qualifying patients and designated
6 providers into the medical marijuana authorization database;

7 (b) Recognition of valid recognition cards; and

8 (c) Recognition of strains, varieties, THC concentration, CBD
9 concentration, and THC to CBD ratios of marijuana concentrates,
10 useable marijuana, and marijuana-infused products, available for sale
11 when assisting qualifying patients and designated providers at the
12 retail outlet.

13 (6)(a) Nothing in this chapter or chapter 69.51A RCW limits the
14 total number of medical marijuana endorsements that may be issued in
15 the state, or in any county, city, or town.

16 (b) This subsection (6) does not prohibit the state liquor and
17 cannabis board from establishing a limit on the total number of
18 marijuana licenses that an individual licensee and all other persons
19 or entities with a financial or other ownership interest in the
20 business operating under the license may hold, in the aggregate.

21 NEW SECTION. Sec. 5. A new section is added to chapter 69.51A
22 RCW to read as follows:

23 Nothing in this chapter limits the total number of marijuana
24 retail outlets that may be licensed, or medical marijuana
25 endorsements that may be issued, in the state, or in any county,
26 city, or town. This section does not prohibit the state liquor and
27 cannabis board from establishing a limit on the total number of
28 marijuana licenses that an individual licensee and all other persons
29 or entities with a financial or other ownership interest in the
30 business operating under the license may hold, in the aggregate.

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