SUBSTITUTE HOUSE BILL 1462

State of Washington 65th Legislature 2017 Regular Session

By House Commerce & Gaming (originally sponsored by Representatives Kloba, Condotta, Sawyer, Appleton, and Ormsby; by request of Department of Agriculture)

READ FIRST TIME 02/06/17.

- AN ACT Relating to adding authority to the department of agriculture to regulate sanitary processing of marijuana-infused edibles; amending RCW 69.07.010, 69.07.020, and 19.02.110; adding a new section to chapter 69.07 RCW; creating a new section; and providing an effective date.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 7 **Sec. 1.** RCW 69.07.010 and 1992 c 34 s 3 are each amended to read 8 as follows:
- 9 For the purposes of this chapter:

12

- 10 (1) "Department" means the department of agriculture of the state 11 of Washington;
 - (2) "Director" means the director of the department;
- 13 (3) "Food" means any substance used for food or drink by any 14 person, including ice, bottled water, and any ingredient used for 15 components of any such substance regardless of the quantity of such 16 component;
- 17 (4) "Sale" means selling, offering for sale, holding for sale, 18 preparing for sale, trading, bartering, offering a gift as an 19 inducement for sale of, and advertising for sale in any media;
- 20 (5) "Food processing" means the handling or processing of any 21 food in any manner in preparation for sale for human consumption:

p. 1 SHB 1462

PROVIDED, That it shall not include fresh fruit or vegetables merely washed or trimmed while being prepared or packaged for sale in their natural state;

- (6) "Food processing plant" includes but is not limited to any premises, plant, establishment, building, room, area, facilities and the appurtenances thereto, in whole or in part, where food is prepared, handled or processed in any manner for distribution or sale for resale by retail outlets, restaurants, and any such other facility selling or distributing to the ultimate consumer: PROVIDED, That, as set forth herein, establishments processing foods in any manner for resale shall be considered a food processing plant as to such processing;
- (7) "Food service establishment" shall mean any fixed or mobile restaurant, coffee shop, cafeteria, short order cafe, luncheonette, grill, tearoom, sandwich shop, soda fountain, tavern, bar, cocktail lounge, night club, roadside stand, industrial-feeding establishment, retail grocery, retail food market, retail meat market, retail bakery, private, public, or nonprofit organization routinely serving food, catering kitchen, commissary or similar place in which food or drink is prepared for sale or for service on the premises or elsewhere, and any other eating or drinking establishment or operation where food is served or provided for the public with or without charge.

For the purpose of this chapter any custom cannery or processing plant where raw food products, food, or food products are processed for the owner thereof, or the food processing facilities are made available to the owners or persons in control of raw food products or food or food products for processing in any manner, shall be considered to be food processing plants;

- 30 (8) "Person" means an individual, partnership, corporation, or 31 association:
 - (9) "Board" means the state liquor and cannabis board;
 - (10) "Marijuana" has the definition in RCW 69.50.101;
- 34 (11) "Marijuana-infused edible" has the same meaning as
 35 "marijuana-infused products" as defined in RCW 69.50.101, but limited
 36 to products intended for oral consumption;
- 37 (12) "Marijuana-infused edible processing" means processing,
 38 packaging, or making marijuana-infused edibles using marijuana,
 39 marijuana extract, or marijuana concentrates as an ingredient. The
 40 term does not include preparation of marijuana as an ingredient

p. 2 SHB 1462

- 1 <u>including</u>, but not limited to, processing marijuana extracts or
- 2 marijuana concentrates;

9

12 13

14

36

37

- 3 (13) "Marijuana processor" has the definition in RCW 69.50.101.
- 4 **Sec. 2.** RCW 69.07.020 and 1969 c 68 s 1 are each amended to read 5 as follows:
- 6 (1) The department shall enforce and carry out the provisions of 7 this chapter, and may adopt the necessary rules to carry out its 8 purposes.
 - (2) Such rules may include:
- 10 (a) Standards for temperature controls in the storage of foods, 11 so as to provide proper refrigeration.
 - (b) Standards for temperatures at which low acid foods must be processed and the length of time such temperatures must be applied and at what pressure in the processing of such low acid foods.
- 15 (c) Standards and types of recording devices that must be used in 16 providing records of the processing of low acid foods, and how they 17 shall be made available to the department of agriculture for 18 inspection.
- 19 (d) Requirements for the keeping of records of the temperatures, 20 times and pressures at which foods were processed, or for the 21 temperatures at which refrigerated products were stored by the 22 licensee and the furnishing of such records to the department.
- 23 (e) Standards that must be used to establish the temperature and 24 purity of water used in the processing of foods.
- 25 (3) The department may adopt rules specific to marijuana-infused 26 edibles. Such rules must be written and interpreted to be consistent 27 with rules adopted by the board and the department of health.
- 28 **Sec. 3.** RCW 19.02.110 and 2013 c 144 s 25 are each amended to 29 read as follows:
- 30 (1) In addition to the licenses processed under the business 31 licensing system prior to April 1, 1982, on July 1, 1982, use of the 32 business licensing system is expanded as provided by this section.
- 33 (2) Applications for the following must be filed with the 34 business licensing service and must be processed, and renewals must 35 be issued, under the business licensing system:
 - (a) Nursery dealer's licenses required by chapter 15.13 RCW;
 - (b) Seed dealer's licenses required by chapter 15.49 RCW;
- 38 (c) Pesticide dealer's licenses required by chapter 15.58 RCW;

p. 3 SHB 1462

- 1 (d) Shopkeeper's licenses required by chapter 18.64 RCW;
- 2 (e) Egg dealer's licenses required by chapter 69.25 RCW; and
- 3 <u>(f) Marijuana-infused edible endorsements required by chapter</u> 4 69.07 RCW.
- 5 <u>NEW SECTION.</u> **Sec. 4.** A new section is added to chapter 69.07 6 RCW to read as follows:
- 7 (1) In addition to the requirements administered by the board 8 under chapter 69.50 RCW, the department shall regulate marijuana-9 infused edible processing the same as other food processing under 10 this chapter, except:
- 11 (a) The department shall not consider foods containing marijuana 12 to be adulterated when produced in compliance with chapter 69.50 RCW 13 and the rules adopted by the board;
- 14 (b) Initial issuance and renewal for an annual marijuana-infused 15 edible endorsement in lieu of a food processing license under RCW 16 69.07.040 must be made through the business licensing system under 17 chapter 19.02 RCW;
- 18 (c) Renewal of the endorsement must coincide with renewal of the endorsement holder's marijuana processor license;

20

21

2223

24

27

28

29

- (d) The department shall adopt a penalty schedule specific to marijuana processors, which may have values equivalent to the penalty schedule adopted by the board. Such penalties are in addition to any penalties imposed under the penalty schedule adopted by the board; and
- 25 (e) The department shall notify the board of violations by 26 marijuana processors under this chapter.
 - (2) A marijuana processor that processes, packages, or makes marijuana-infused edibles must obtain an annual marijuana-infused edible endorsement, as provided in this subsection (2).
- 30 (a) The marijuana processor must apply for issuance and renewal 31 for the endorsement from the department through the business 32 licensing system under chapter 19.02 RCW.
- 33 (b) The marijuana processor must have a valid marijuana processor license before submitting an application for initial endorsement. The application and initial endorsement fees total eight hundred ninety36 five dollars. Applicants for endorsement otherwise must meet the same requirements as applicants for a food processing license under this chapter including, but not limited to, successful completion of inspection by the department.

p. 4 SHB 1462

1 (c) Annual renewal of the endorsement must coincide with renewal 2 of the endorsement holder's marijuana processor license. The 3 endorsement renewal fee is eight hundred ninety-five dollars.

4

5

7

8

- (d) A marijuana processor must obtain a separate endorsement for each location at which the marijuana processor intends to process marijuana-infused edibles. Premises used for marijuana-infused edible processing may not be used for processing food that does not use marijuana as an ingredient, with the exception of edibles produced solely for tasting samples or internal product testing.
- 10 (3) The department may deny, suspend, or revoke a marijuana-11 infused edible endorsement on the same grounds as the department may 12 deny, suspend, or revoke a food processor's license under this 13 chapter.
- 14 (4) Information about processors otherwise exempt from public 15 inspection and copying under chapter 42.56 RCW is also exempt from 16 public inspection and copying if submitted to or used by the 17 department.
- NEW SECTION. Sec. 5. The department of agriculture, state liquor and cannabis board, and department of revenue shall take the necessary steps to ensure that section 4 of this act is implemented on its effective date.
- NEW SECTION. Sec. 6. Section 4 of this act takes effect April 1, 2018.

--- END ---

p. 5 SHB 1462