
HOUSE BILL 2021

State of Washington

65th Legislature

2017 Regular Session

By Representatives Farrell and Macri

Read first time 02/08/17. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to authorizing the sale of marijuana plants and
2 seeds to qualifying patients and designated providers; amending RCW
3 69.50.345, 69.50.342, 69.50.325, 69.50.366, 69.50.535, 69.51A.220,
4 and 69.51A.250; and reenacting and amending RCW 69.50.101.

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

6 **Sec. 1.** 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.

1 (b) The state liquor and cannabis board must reconsider and
2 increase limits on the amount of square feet permitted to be in
3 production on July 24, 2015, and increase the percentage of
4 production space for those marijuana producers who intend to grow
5 plants for marijuana retailers holding medical marijuana endorsements
6 if the marijuana producer designates the increased production space
7 to plants determined by the department under RCW 69.50.375 to be of a
8 THC concentration, CBD concentration, or THC to CBD ratio appropriate
9 for marijuana concentrates, useable marijuana, or marijuana-infused
10 products to be sold to qualifying patients. If current marijuana
11 producers do not use all the increased production space, the state
12 liquor and cannabis board may reopen the license period for new
13 marijuana producer license applicants but only to those marijuana
14 producers who agree to grow plants for marijuana retailers holding
15 medical marijuana endorsements. Priority in licensing must be given
16 to marijuana producer license applicants who have an application
17 pending on July 24, 2015, but who are not yet licensed and then to
18 new marijuana producer license applicants. After January 1, 2017, any
19 reconsideration of the limits on the amount of square feet permitted
20 to be in production to meet the medical needs of qualifying patients
21 must consider information contained in the medical marijuana
22 authorization database established in RCW 69.51A.230;

23 (2) Determining, in consultation with the office of financial
24 management, the maximum number of retail outlets that may be licensed
25 in each county, taking into consideration:

26 (a) Population distribution;

27 (b) Security and safety issues;

28 (c) The provision of adequate access to licensed sources of
29 marijuana concentrates, useable marijuana, and marijuana-infused
30 products to discourage purchases from the illegal market; and

31 (d) The number of retail outlets holding medical marijuana
32 endorsements necessary to meet the medical needs of qualifying
33 patients. The state liquor and cannabis board must reconsider and
34 increase the maximum number of retail outlets it established before
35 July 24, 2015, and allow for a new license application period and a
36 greater number of retail outlets to be permitted in order to
37 accommodate the medical needs of qualifying patients and designated
38 providers. After January 1, 2017, any reconsideration of the maximum
39 number of retail outlets needed to meet the medical needs of
40 qualifying patients must consider information contained in the

1 medical marijuana authorization database established in RCW
2 69.51A.230;

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

6 (4) Determining the maximum quantities of marijuana, marijuana
7 concentrates, useable marijuana, and marijuana-infused products a
8 marijuana processor may have on the premises of a licensed location
9 at any time without violating Washington state law;

10 (5) Determining the maximum quantities of marijuana concentrates,
11 useable marijuana, and marijuana-infused products a marijuana
12 retailer may have on the premises of a retail outlet at any time
13 without violating Washington state law;

14 (6) In making the determinations required by this section, the
15 state liquor and cannabis board shall take into consideration:

16 (a) Security and safety issues;

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

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

23 (7) Determining the nature, form, and capacity of all containers
24 to be used by licensees to contain marijuana, marijuana concentrates,
25 useable marijuana, and marijuana-infused products, and their labeling
26 requirements, to include but not be limited to:

27 (a) The business or trade name and Washington state unified
28 business identifier number of the licensees that processed and sold
29 the marijuana, marijuana concentrates, useable marijuana, or
30 marijuana-infused product;

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

33 (c) THC concentration and CBD concentration of the marijuana,
34 marijuana concentrates, useable marijuana, or marijuana-infused
35 product;

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

38 (e) Language required by RCW 69.04.480;

39 (8) In consultation with the department of agriculture and the
40 department, establishing classes of marijuana, marijuana

1 concentrates, useable marijuana, and marijuana-infused products
2 according to grade, condition, cannabinoid profile, THC
3 concentration, CBD concentration, or other qualitative measurements
4 deemed appropriate by the state liquor and cannabis board;

5 (9) Establishing reasonable time, place, and manner restrictions
6 and requirements regarding advertising of marijuana, marijuana
7 concentrates, useable marijuana, and marijuana-infused products that
8 are not inconsistent with the provisions of this chapter, taking into
9 consideration:

10 (a) Federal laws relating to marijuana that are applicable within
11 Washington state;

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

14 (c) The inclusion of medically and scientifically accurate
15 information about the health and safety risks posed by marijuana use
16 in the advertising; and

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

19 (10) Specifying and regulating the time and periods when, and the
20 manner, methods, and means by which, licensees shall transport and
21 deliver marijuana, marijuana concentrates, useable marijuana, and
22 marijuana-infused products within the state;

23 (11) In consultation with the department and the department of
24 agriculture, establishing accreditation requirements for testing
25 laboratories used by licensees to demonstrate compliance with
26 standards adopted by the state liquor and cannabis board, and
27 prescribing methods of producing, processing, and packaging
28 marijuana, marijuana concentrates, useable marijuana, and marijuana-
29 infused products; conditions of sanitation; and standards of
30 ingredients, quality, and identity of marijuana, marijuana
31 concentrates, useable marijuana, and marijuana-infused products
32 produced, processed, packaged, or sold by licensees;

33 (12) Specifying procedures for identifying, seizing,
34 confiscating, destroying, and donating to law enforcement for
35 training purposes all marijuana, marijuana concentrates, useable
36 marijuana, and marijuana-infused products produced, processed,
37 packaged, labeled, or offered for sale in this state that do not
38 conform in all respects to the standards prescribed by this chapter
39 or the rules of the state liquor and cannabis board; and

1 (13) Authorizing marijuana producers to produce, process,
2 package, label, and sell plants and marijuana seeds at retail, at the
3 premises of the marijuana producer, to a qualifying patient or
4 designated provider with a valid authorization, as defined in RCW
5 69.51A.010, or a valid recognition card.

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

8 (1) For the purpose of carrying into effect the provisions of
9 chapter 3, Laws of 2013 according to their true intent or of
10 supplying any deficiency therein, the state liquor and cannabis board
11 may adopt rules not inconsistent with the spirit of chapter 3, Laws
12 of 2013 as are deemed necessary or advisable. Without limiting the
13 generality of the preceding sentence, the state liquor and cannabis
14 board is empowered to adopt rules regarding the following:

15 (a) The equipment and management of retail outlets and premises
16 where marijuana is produced or processed, and inspection of the
17 retail outlets and premises where marijuana is produced or processed;

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

21 (c) Methods of producing, processing, and packaging marijuana,
22 useable marijuana, marijuana concentrates, and marijuana-infused
23 products; conditions of sanitation; safe handling requirements;
24 approved pesticides and pesticide testing requirements; and standards
25 of ingredients, quality, and identity of marijuana, useable
26 marijuana, marijuana concentrates, and marijuana-infused products
27 produced, processed, packaged, or sold by licensees;

28 (d) Security requirements for retail outlets and premises where
29 marijuana is produced or processed, and safety protocols for
30 licensees and their employees;

31 (e) Screening, hiring, training, and supervising employees of
32 licensees;

33 (f) Retail outlet locations and hours of operation;

34 (g) Labeling requirements and restrictions on advertisement of
35 marijuana, useable marijuana, marijuana concentrates, cannabis health
36 and beauty aids, and marijuana-infused products for sale in retail
37 outlets;

38 (h) Forms to be used for purposes of this chapter and chapter
39 69.51A RCW or the rules adopted to implement and enforce these

1 chapters, the terms and conditions to be contained in licenses issued
2 under this chapter and chapter 69.51A RCW, and the qualifications for
3 receiving a license issued under this chapter and chapter 69.51A RCW,
4 including a criminal history record information check. The state
5 liquor and cannabis board may submit any criminal history record
6 information check to the Washington state patrol and to the
7 identification division of the federal bureau of investigation in
8 order that these agencies may search their records for prior arrests
9 and convictions of the individual or individuals who filled out the
10 forms. The state liquor and cannabis board must require
11 fingerprinting of any applicant whose criminal history record
12 information check is submitted to the federal bureau of
13 investigation;

14 (i) Application, reinstatement, and renewal fees for licenses
15 issued under this chapter and chapter 69.51A RCW, and fees for
16 anything done or permitted to be done under the rules adopted to
17 implement and enforce this chapter and chapter 69.51A RCW;

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

21 (k) Times and periods when, and the manner, methods, and means by
22 which, licensees transport and deliver marijuana, marijuana
23 concentrates, useable marijuana, and marijuana-infused products
24 within the state;

25 (1) Identification, seizure, confiscation, destruction, or
26 donation to law enforcement for training purposes of all marijuana,
27 marijuana concentrates, useable marijuana, and marijuana-infused
28 products produced, processed, sold, or offered for sale within this
29 state which do not conform in all respects to the standards
30 prescribed by this chapter or chapter 69.51A RCW or the rules adopted
31 to implement and enforce these chapters.

32 (2) Rules adopted on retail outlets holding medical marijuana
33 endorsements must be adopted in coordination and consultation with
34 the department.

35 (3)(a) The state liquor and cannabis board may adopt any rule
36 that is not inconsistent with this chapter or chapter 69.51A RCW and
37 that is necessary and appropriate to provide for an effective process
38 for qualifying patients age eighteen and over and designated
39 providers with a valid authorization, as defined in RCW 69.51A.010,
40 or a valid recognition card to purchase plants and marijuana seeds

1 from marijuana producers at retail, at the premises of a marijuana
2 producer.

3 (b) The state liquor and cannabis board may consult with the
4 department when adopting rules pursuant to this subsection (3) and
5 RCW 69.50.345(13).

6 **Sec. 3.** RCW 69.50.325 and 2016 c 170 s 1 are each amended to
7 read as follows:

8 (1) There shall be a marijuana producer's license to produce
9 marijuana for sale at wholesale to marijuana processors and other
10 marijuana producers ~~((and))~~, to produce marijuana plants and
11 marijuana seeds for sale to cooperatives as described under RCW
12 69.51A.250, and to produce marijuana plants and marijuana seeds for
13 sale by the marijuana producer at retail, at the premises of the
14 marijuana producer, to qualifying patients age eighteen and over and
15 designated providers with a valid authorization, as defined in RCW
16 69.51A.010, or a valid recognition card, regulated by the state
17 liquor and cannabis board and subject to annual renewal. The
18 production, possession, delivery, distribution, and sale of marijuana
19 in accordance with the provisions of this chapter and the rules
20 adopted to implement and enforce it, by a validly licensed marijuana
21 producer, shall not be a criminal or civil offense under Washington
22 state law. Every marijuana producer's license shall be issued in the
23 name of the applicant, shall specify the location at which the
24 marijuana producer intends to operate, which must be within the state
25 of Washington, and the holder thereof shall not allow any other
26 person to use the license. The application fee for a marijuana
27 producer's license shall be two hundred fifty dollars. The annual fee
28 for issuance and renewal of a marijuana producer's license shall be
29 one thousand dollars. A separate license shall be required for each
30 location at which a marijuana producer intends to produce marijuana.

31 (2) There shall be a marijuana processor's license to process,
32 package, and label marijuana concentrates, useable marijuana, and
33 marijuana-infused products for sale at wholesale to marijuana
34 processors and marijuana retailers, regulated by the state liquor and
35 cannabis board and subject to annual renewal. The processing,
36 packaging, possession, delivery, distribution, and sale of marijuana,
37 useable marijuana, marijuana-infused products, and marijuana
38 concentrates in accordance with the provisions of this chapter and
39 chapter 69.51A RCW and the rules adopted to implement and enforce

1 these chapters, by a validly licensed marijuana processor, shall not
2 be a criminal or civil offense under Washington state law. Every
3 marijuana processor's license shall be issued in the name of the
4 applicant, shall specify the location at which the licensee intends
5 to operate, which must be within the state of Washington, and the
6 holder thereof shall not allow any other person to use the license.
7 The application fee for a marijuana processor's license shall be two
8 hundred fifty dollars. The annual fee for issuance and renewal of a
9 marijuana processor's license shall be one thousand dollars. A
10 separate license shall be required for each location at which a
11 marijuana processor intends to process marijuana.

12 (3) There shall be a marijuana retailer's license to sell
13 marijuana concentrates, useable marijuana, and marijuana-infused
14 products at retail in retail outlets, regulated by the state liquor
15 and cannabis board and subject to annual renewal. The possession,
16 delivery, distribution, and sale of marijuana concentrates, useable
17 marijuana, and marijuana-infused products in accordance with the
18 provisions of this chapter and the rules adopted to implement and
19 enforce it, by a validly licensed marijuana retailer, shall not be a
20 criminal or civil offense under Washington state law. Every marijuana
21 retailer's license shall be issued in the name of the applicant,
22 shall specify the location of the retail outlet the licensee intends
23 to operate, which must be within the state of Washington, and the
24 holder thereof shall not allow any other person to use the license.
25 The application fee for a marijuana retailer's license shall be two
26 hundred fifty dollars. The annual fee for issuance and renewal of a
27 marijuana retailer's license shall be one thousand dollars. A
28 separate license shall be required for each location at which a
29 marijuana retailer intends to sell marijuana concentrates, useable
30 marijuana, and marijuana-infused products.

31 **Sec. 4.** RCW 69.50.366 and 2015 c 207 s 8 are each amended to
32 read as follows:

33 The following acts, when performed by a validly licensed
34 marijuana producer or employee of a validly licensed marijuana
35 producer in compliance with rules adopted by the state liquor
36 (~~control~~) and cannabis board to implement and enforce chapter 3,
37 Laws of 2013, do not constitute criminal or civil offenses under
38 Washington state law:

1 (1) Production or possession of quantities of marijuana that do
2 not exceed the maximum amounts established by the state liquor
3 (~~control~~) and cannabis board under RCW 69.50.345(3);

4 (2) Delivery, distribution, and sale of marijuana to a marijuana
5 processor or another marijuana producer validly licensed under
6 chapter 3, Laws of 2013; (~~and~~)

7 (3) Delivery, distribution, and sale of marijuana or useable
8 marijuana to a federally recognized Indian tribe as permitted under
9 an agreement between the state and the tribe entered into under RCW
10 43.06.490;

11 (4) Production, possession, packaging, and labeling of plants and
12 marijuana seeds for sale as provided in subsection (5) of this
13 section; and

14 (5) Delivery, distribution, and sale of plants and marijuana
15 seeds at retail, at the premises of the marijuana producer, to a
16 qualifying patient age eighteen and over or a designated provider
17 with a valid authorization, as defined in RCW 69.51A.010, or a valid
18 recognition card.

19 **Sec. 5.** RCW 69.50.101 and 2015 2nd sp.s. c 4 s 901 are each
20 reenacted and amended to read as follows:

21 The definitions in this section apply throughout this chapter
22 unless the context clearly requires otherwise.

23 (a) "Administer" means to apply a controlled substance, whether
24 by injection, inhalation, ingestion, or any other means, directly to
25 the body of a patient or research subject by:

26 (1) a practitioner authorized to prescribe (or, by the
27 practitioner's authorized agent); or

28 (2) the patient or research subject at the direction and in the
29 presence of the practitioner.

30 (b) "Agent" means an authorized person who acts on behalf of or
31 at the direction of a manufacturer, distributor, or dispenser. It
32 does not include a common or contract carrier, public
33 warehouseperson, or employee of the carrier or warehouseperson.

34 (c) "CBD concentration" has the meaning provided in RCW
35 69.51A.010.

36 (d) "Commission" means the pharmacy quality assurance commission.

37 (e) "Controlled substance" means a drug, substance, or immediate
38 precursor included in Schedules I through V as set forth in federal
39 or state laws, or federal or commission rules.

1 (f)(1) "Controlled substance analog" means a substance the
2 chemical structure of which is substantially similar to the chemical
3 structure of a controlled substance in Schedule I or II and:

4 (i) that has a stimulant, depressant, or hallucinogenic effect on
5 the central nervous system substantially similar to the stimulant,
6 depressant, or hallucinogenic effect on the central nervous system of
7 a controlled substance included in Schedule I or II; or

8 (ii) with respect to a particular individual, that the individual
9 represents or intends to have a stimulant, depressant, or
10 hallucinogenic effect on the central nervous system substantially
11 similar to the stimulant, depressant, or hallucinogenic effect on the
12 central nervous system of a controlled substance included in Schedule
13 I or II.

14 (2) The term does not include:

15 (i) a controlled substance;

16 (ii) a substance for which there is an approved new drug
17 application;

18 (iii) a substance with respect to which an exemption is in effect
19 for investigational use by a particular person under Section 505 of
20 the federal Food, Drug and Cosmetic Act, 21 U.S.C. Sec. 355, to the
21 extent conduct with respect to the substance is pursuant to the
22 exemption; or

23 (iv) any substance to the extent not intended for human
24 consumption before an exemption takes effect with respect to the
25 substance.

26 (g) "Deliver" or "delivery((τ))" means the actual or constructive
27 transfer from one person to another of a substance, whether or not
28 there is an agency relationship.

29 (h) "Department" means the department of health.

30 (i) "Designated provider" has the meaning provided in RCW
31 69.51A.010.

32 (j) "Dispense" means the interpretation of a prescription or
33 order for a controlled substance and, pursuant to that prescription
34 or order, the proper selection, measuring, compounding, labeling, or
35 packaging necessary to prepare that prescription or order for
36 delivery.

37 (k) "Dispenser" means a practitioner who dispenses.

38 (l) "Distribute" means to deliver other than by administering or
39 dispensing a controlled substance.

40 (m) "Distributor" means a person who distributes.

1 (n) "Drug" means (1) a controlled substance recognized as a drug
2 in the official United States pharmacopoeia/national formulary or the
3 official homeopathic pharmacopoeia of the United States, or any
4 supplement to them; (2) controlled substances intended for use in the
5 diagnosis, cure, mitigation, treatment, or prevention of disease in
6 individuals or animals; (3) controlled substances (other than food)
7 intended to affect the structure or any function of the body of
8 individuals or animals; and (4) controlled substances intended for
9 use as a component of any article specified in (1), (2), or (3) of
10 this subsection. The term does not include devices or their
11 components, parts, or accessories.

12 (o) "Drug enforcement administration" means the drug enforcement
13 administration in the United States Department of Justice, or its
14 successor agency.

15 (p) "Electronic communication of prescription information" means
16 the transmission of a prescription or refill authorization for a drug
17 of a practitioner using computer systems. The term does not include a
18 prescription or refill authorization verbally transmitted by
19 telephone nor a facsimile manually signed by the practitioner.

20 (q) "Immediate precursor" means a substance:

21 (1) that the commission has found to be and by rule designates as
22 being the principal compound commonly used, or produced primarily for
23 use, in the manufacture of a controlled substance;

24 (2) that is an immediate chemical intermediary used or likely to
25 be used in the manufacture of a controlled substance; and

26 (3) the control of which is necessary to prevent, curtail, or
27 limit the manufacture of the controlled substance.

28 (r) "Isomer" means an optical isomer, but in subsection (dd)(5)
29 of this section, RCW 69.50.204(a) (12) and (34), and 69.50.206(b)(4),
30 the term includes any geometrical isomer; in RCW 69.50.204(a) (8) and
31 (42), and 69.50.210(c) the term includes any positional isomer; and
32 in RCW 69.50.204(a)(35), 69.50.204(c), and 69.50.208(a) the term
33 includes any positional or geometric isomer.

34 (s) "Lot" means a definite quantity of marijuana, marijuana
35 concentrates, useable marijuana, or marijuana-infused product
36 identified by a lot number, every portion or package of which is
37 uniform within recognized tolerances for the factors that appear in
38 the labeling.

39 (t) "Lot number" must identify the licensee by business or trade
40 name and Washington state unified business identifier number, and the

1 date of harvest or processing for each lot of marijuana, marijuana
2 concentrates, useable marijuana, or marijuana-infused product.

3 (u) "Manufacture" means the production, preparation, propagation,
4 compounding, conversion, or processing of a controlled substance,
5 either directly or indirectly or by extraction from substances of
6 natural origin, or independently by means of chemical synthesis, or
7 by a combination of extraction and chemical synthesis, and includes
8 any packaging or repackaging of the substance or labeling or
9 relabeling of its container. The term does not include the
10 preparation, compounding, packaging, repackaging, labeling, or
11 relabeling of a controlled substance:

12 (1) by a practitioner as an incident to the practitioner's
13 administering or dispensing of a controlled substance in the course
14 of the practitioner's professional practice; or

15 (2) by a practitioner, or by the practitioner's authorized agent
16 under the practitioner's supervision, for the purpose of, or as an
17 incident to, research, teaching, or chemical analysis and not for
18 sale.

19 (v) "Marijuana" or "marihuana" means all parts of the plant
20 *Cannabis*, whether growing or not, with a THC concentration greater
21 than 0.3 percent on a dry weight basis; the seeds thereof; the resin
22 extracted from any part of the plant; and every compound,
23 manufacture, salt, derivative, mixture, or preparation of the plant,
24 its seeds or resin. The term does not include the mature stalks of
25 the plant, fiber produced from the stalks, oil or cake made from the
26 seeds of the plant, any other compound, manufacture, salt,
27 derivative, mixture, or preparation of the mature stalks (except the
28 resin extracted therefrom), fiber, oil, or cake, or the sterilized
29 seed of the plant which is incapable of germination.

30 (w) "Marijuana concentrates" means products consisting wholly or
31 in part of the resin extracted from any part of the plant *Cannabis*
32 and having a THC concentration greater than ten percent.

33 (x) "Marijuana processor" means a person licensed by the state
34 liquor and cannabis board to process marijuana into marijuana
35 concentrates, useable marijuana, and marijuana-infused products,
36 package and label marijuana concentrates, useable marijuana, and
37 marijuana-infused products for sale in retail outlets, and sell
38 marijuana concentrates, useable marijuana, and marijuana-infused
39 products at wholesale to marijuana retailers.

1 (y) "Marijuana producer" means a person licensed by the state
2 liquor and cannabis board to produce and sell marijuana at wholesale
3 to marijuana processors and other marijuana producers, and to produce
4 and sell plants and marijuana seeds at retail, at the premises of the
5 marijuana producer, to qualifying patients age eighteen and over and
6 designated providers with a valid authorization, as defined in RCW
7 69.51A.010, or a valid recognition card.

8 (z) "Marijuana products" means useable marijuana, marijuana
9 concentrates, and marijuana-infused products as defined in this
10 section.

11 (aa) "Marijuana researcher" means a person licensed by the state
12 liquor and cannabis board to produce, process, and possess marijuana
13 for the purposes of conducting research on marijuana and marijuana-
14 derived drug products.

15 (bb) "Marijuana retailer" means a person licensed by the state
16 liquor and cannabis board to sell marijuana concentrates, useable
17 marijuana, and marijuana-infused products in a retail outlet.

18 (cc) "Marijuana-infused products" means products that contain
19 marijuana or marijuana extracts, are intended for human use, are
20 derived from marijuana as defined in subsection (v) of this section,
21 and have a THC concentration no greater than ten percent. The term
22 "marijuana-infused products" does not include either useable
23 marijuana or marijuana concentrates.

24 (dd) "Narcotic drug" means any of the following, whether produced
25 directly or indirectly by extraction from substances of vegetable
26 origin, or independently by means of chemical synthesis, or by a
27 combination of extraction and chemical synthesis:

28 (1) Opium, opium derivative, and any derivative of opium or opium
29 derivative, including their salts, isomers, and salts of isomers,
30 whenever the existence of the salts, isomers, and salts of isomers is
31 possible within the specific chemical designation. The term does not
32 include the isoquinoline alkaloids of opium.

33 (2) Synthetic opiate and any derivative of synthetic opiate,
34 including their isomers, esters, ethers, salts, and salts of isomers,
35 esters, and ethers, whenever the existence of the isomers, esters,
36 ethers, and salts is possible within the specific chemical
37 designation.

38 (3) Poppy straw and concentrate of poppy straw.

1 (4) Coca leaves, except coca leaves and extracts of coca leaves
2 from which cocaine, ecgonine, and derivatives or ecgonine or their
3 salts have been removed.

4 (5) Cocaine, or any salt, isomer, or salt of isomer thereof.

5 (6) Cocaine base.

6 (7) Ecgonine, or any derivative, salt, isomer, or salt of isomer
7 thereof.

8 (8) Any compound, mixture, or preparation containing any quantity
9 of any substance referred to in subparagraphs (1) through (7).

10 (ee) "Opiate" means any substance having an addiction-forming or
11 addiction-sustaining liability similar to morphine or being capable
12 of conversion into a drug having addiction-forming or addiction-
13 sustaining liability. The term includes opium, substances derived
14 from opium (opium derivatives), and synthetic opiates. The term does
15 not include, unless specifically designated as controlled under RCW
16 69.50.201, the dextrorotatory isomer of 3-methoxy-n-methylmorphinan
17 and its salts (dextromethorphan). The term includes the racemic and
18 levorotatory forms of dextromethorphan.

19 (ff) "Opium poppy" means the plant of the species *Papaver*
20 *somniferum* L., except its seeds.

21 (gg) "Person" means individual, corporation, business trust,
22 estate, trust, partnership, association, joint venture, government,
23 governmental subdivision or agency, or any other legal or commercial
24 entity.

25 (hh) "Plant" has the meaning provided in RCW 69.51A.010.

26 (ii) "Poppy straw" means all parts, except the seeds, of the
27 opium poppy, after mowing.

28 (jj) "Practitioner" means:

29 (1) A physician under chapter 18.71 RCW; a physician assistant
30 under chapter 18.71A RCW; an osteopathic physician and surgeon under
31 chapter 18.57 RCW; an osteopathic physician assistant under chapter
32 18.57A RCW who is licensed under RCW 18.57A.020 subject to any
33 limitations in RCW 18.57A.040; an optometrist licensed under chapter
34 18.53 RCW who is certified by the optometry board under RCW 18.53.010
35 subject to any limitations in RCW 18.53.010; a dentist under chapter
36 18.32 RCW; a podiatric physician and surgeon under chapter 18.22 RCW;
37 a veterinarian under chapter 18.92 RCW; a registered nurse, advanced
38 registered nurse practitioner, or licensed practical nurse under
39 chapter 18.79 RCW; a naturopathic physician under chapter 18.36A RCW
40 who is licensed under RCW 18.36A.030 subject to any limitations in

1 RCW 18.36A.040; a pharmacist under chapter 18.64 RCW or a scientific
2 investigator under this chapter, licensed, registered or otherwise
3 permitted insofar as is consistent with those licensing laws to
4 distribute, dispense, conduct research with respect to or administer
5 a controlled substance in the course of their professional practice
6 or research in this state.

7 (2) A pharmacy, hospital or other institution licensed,
8 registered, or otherwise permitted to distribute, dispense, conduct
9 research with respect to or to administer a controlled substance in
10 the course of professional practice or research in this state.

11 (3) A physician licensed to practice medicine and surgery, a
12 physician licensed to practice osteopathic medicine and surgery, a
13 dentist licensed to practice dentistry, a podiatric physician and
14 surgeon licensed to practice podiatric medicine and surgery, a
15 licensed physician assistant or a licensed osteopathic physician
16 assistant specifically approved to prescribe controlled substances by
17 his or her state's medical quality assurance commission or equivalent
18 and his or her supervising physician, an advanced registered nurse
19 practitioner licensed to prescribe controlled substances, or a
20 veterinarian licensed to practice veterinary medicine in any state of
21 the United States.

22 (kk) "Prescription" means an order for controlled substances
23 issued by a practitioner duly authorized by law or rule in the state
24 of Washington to prescribe controlled substances within the scope of
25 his or her professional practice for a legitimate medical purpose.

26 (ll) "Production" includes the manufacturing, planting,
27 cultivating, growing, or harvesting of a controlled substance.

28 (mm) "Qualifying patient" has the meaning provided in RCW
29 69.51A.010.

30 (nn) "Recognition card" has the meaning provided in RCW
31 69.51A.010.

32 (oo) "Retail outlet" means a location licensed by the state
33 liquor and cannabis board for the retail sale of marijuana
34 concentrates, useable marijuana, and marijuana-infused products.

35 (pp) "Secretary" means the secretary of health or the secretary's
36 designee.

37 (qq) "State," unless the context otherwise requires, means a
38 state of the United States, the District of Columbia, the
39 Commonwealth of Puerto Rico, or a territory or insular possession
40 subject to the jurisdiction of the United States.

1 (rr) "THC concentration" means percent of delta-9
2 tetrahydrocannabinol content per dry weight of any part of the plant
3 *Cannabis*, or per volume or weight of marijuana product, or the
4 combined percent of delta-9 tetrahydrocannabinol and
5 tetrahydrocannabinolic acid in any part of the plant *Cannabis*
6 regardless of moisture content.

7 (ss) "Ultimate user" means an individual who lawfully possesses a
8 controlled substance for the individual's own use or for the use of a
9 member of the individual's household or for administering to an
10 animal owned by the individual or by a member of the individual's
11 household.

12 (tt) "Useable marijuana" means dried marijuana flowers. The term
13 "useable marijuana" does not include either marijuana-infused
14 products or marijuana concentrates.

15 **Sec. 6.** RCW 69.50.535 and 2015 2nd sp.s. c 4 s 205 are each
16 amended to read as follows:

17 (1)(a) There is levied and collected a marijuana excise tax equal
18 to thirty-seven percent of the selling price on each retail sale in
19 this state of marijuana concentrates, useable marijuana, (~~and~~)
20 marijuana-infused products, plants, and marijuana seeds. This tax is
21 separate and in addition to general state and local sales and use
22 taxes that apply to retail sales of tangible personal property, and
23 is not part of the total retail price to which general state and
24 local sales and use taxes apply. The tax must be separately itemized
25 from the state and local retail sales tax on the sales receipt
26 provided to the buyer.

27 (b) The tax levied in this section must be reflected in the price
28 list or quoted shelf price in the licensed marijuana retail store and
29 in any advertising that includes prices for all useable marijuana,
30 marijuana concentrates, or marijuana-infused products.

31 (2) All revenues collected from the marijuana excise tax imposed
32 under this section must be deposited each day in the dedicated
33 marijuana account.

34 (3) The tax imposed in this section must be paid by the buyer to
35 the seller. Each seller must collect from the buyer the full amount
36 of the tax payable on each taxable sale. The tax collected as
37 required by this section is deemed to be held in trust by the seller
38 until paid to the board. If any seller fails to collect the tax
39 imposed in this section or, having collected the tax, fails to pay it

1 as prescribed by the board, whether such failure is the result of the
2 seller's own acts or the result of acts or conditions beyond the
3 seller's control, the seller is, nevertheless, personally liable to
4 the state for the amount of the tax.

5 (4) The definitions in this subsection apply throughout this
6 section unless the context clearly requires otherwise.

7 (a) "Board" means the state liquor and cannabis board.

8 (b) "Retail sale" has the same meaning as in RCW 82.08.010.

9 (c) "Selling price" has the same meaning as in RCW 82.08.010,
10 except that when product is sold under circumstances where the total
11 amount of consideration paid for the product is not indicative of its
12 true value, "selling price" means the true value of the product sold.

13 (d) "Product" means marijuana, marijuana concentrates, useable
14 marijuana, and marijuana-infused products.

15 (e) "True value" means market value based on sales at comparable
16 locations in this state of the same or similar product of like
17 quality and character sold under comparable conditions of sale to
18 comparable purchasers. However, in the absence of such sales of the
19 same or similar product, true value means the value of the product
20 sold as determined by all of the seller's direct and indirect costs
21 attributable to the product.

22 (5)(a) The board must regularly review the tax level established
23 under this section and make recommendations, in consultation with the
24 department of revenue, to the legislature as appropriate regarding
25 adjustments that would further the goal of discouraging use while
26 undercutting illegal market prices.

27 (b) The state liquor and cannabis board must report, in
28 compliance with RCW 43.01.036, to the appropriate committees of the
29 legislature every two years. The report at a minimum must include the
30 following:

31 (i) The specific recommendations required under (a) of this
32 subsection;

33 (ii) A comparison of gross sales and tax collections prior to and
34 after any marijuana tax change;

35 (iii) The increase or decrease in the volume of legal marijuana
36 sold prior to and after any marijuana tax change;

37 (iv) Increases or decreases in the number of licensed marijuana
38 producers, processors, and retailers;

39 (v) The number of illegal and noncompliant marijuana outlets the
40 board requires to be closed;

1 (vi) Gross marijuana sales and tax collections in Oregon; and
2 (vii) The total amount of reported sales and use taxes exempted
3 for qualifying patients. The department of revenue must provide the
4 data of exempt amounts to the board.

5 (c) The board is not required to report to the legislature as
6 required in (b) of this subsection after January 1, 2025.

7 (6) The legislature does not intend and does not authorize any
8 person or entity to engage in activities or to conspire to engage in
9 activities that would constitute per se violations of state and
10 federal antitrust laws including, but not limited to, agreements
11 among retailers as to the selling price of any goods sold.

12 **Sec. 7.** RCW 69.51A.220 and 2015 c 70 s 20 are each amended to
13 read as follows:

14 (1) Health care professionals may authorize the medical use of
15 marijuana for qualifying patients who are under the age of eighteen
16 if:

17 (a) The minor's parent or guardian participates in the minor's
18 treatment and agrees to the medical use of marijuana by the minor;
19 and

20 (b) The parent or guardian acts as the designated provider for
21 the minor and has sole control over the minor's marijuana.

22 (2) The minor may not grow plants or purchase marijuana-infused
23 products, useable marijuana, or marijuana concentrates from a
24 marijuana retailer with a medical marijuana endorsement, or purchase
25 plants or marijuana seeds from a marijuana producer.

26 (3) Both the minor and the minor's parent or guardian who is
27 acting as the designated provider must be entered in the medical
28 marijuana authorization database and hold a recognition card.

29 (4) A health care professional who authorizes the medical use of
30 marijuana by a minor must do so as part of the course of treatment of
31 the minor's terminal or debilitating medical condition. If
32 authorizing a minor for the medical use of marijuana, the health care
33 professional must:

34 (a) Consult with other health care providers involved in the
35 minor's treatment, as medically indicated, before authorization or
36 reauthorization of the medical use of marijuana; and

37 (b) Reexamine the minor at least once every six months or more
38 frequently as medically indicated. The reexamination must:

1 (i) Determine that the minor continues to have a terminal or
2 debilitating medical condition and that the condition benefits from
3 the medical use of marijuana; and

4 (ii) Include a follow-up discussion with the minor's parent or
5 guardian to ensure the parent or guardian continues to participate in
6 the treatment of the minor.

7 **Sec. 8.** RCW 69.51A.250 and 2016 c 170 s 2 are each amended to
8 read as follows:

9 (1) Qualifying patients or designated providers may form a
10 cooperative and share responsibility for acquiring and supplying the
11 resources needed to produce and process marijuana only for the
12 medical use of members of the cooperative. No more than four
13 qualifying patients or designated providers may become members of a
14 cooperative under this section and all members must hold valid
15 recognition cards. All members of the cooperative must be at least
16 twenty-one years old. The designated provider of a qualifying patient
17 who is under twenty-one years old may be a member of a cooperative on
18 the qualifying patient's behalf. All plants grown in the cooperative
19 must be purchased or cloned from a plant purchased from a licensed
20 marijuana producer as defined in RCW 69.50.101, or grown from
21 marijuana seeds purchased from a licensed marijuana producer as
22 defined in RCW 69.50.101.

23 (2) Qualifying patients and designated providers who wish to form
24 a cooperative must register the location with the state liquor and
25 cannabis board and this is the only location where cooperative
26 members may grow or process marijuana. This registration must include
27 the names of all participating members and copies of each
28 participant's recognition card. Only qualifying patients or
29 designated providers registered with the state liquor and cannabis
30 board in association with the location may participate in growing or
31 receive useable marijuana or marijuana-infused products grown at that
32 location.

33 (3) No cooperative may be located in any of the following areas:

34 (a) Within one mile of a marijuana retailer;

35 (b) Within the smaller of either:

36 (i) One thousand feet of the perimeter of the grounds of any
37 elementary or secondary school, playground, recreation center or
38 facility, child care center, public park, public transit center,

1 library, or any game arcade that admission to which is not restricted
2 to persons aged twenty-one years or older; or

3 (ii) The area restricted by ordinance, if the cooperative is
4 located in a city, county, or town that has passed an ordinance
5 pursuant to RCW 69.50.331(8); or

6 (c) Where prohibited by a city, town, or county zoning provision.

7 (4) The state liquor and cannabis board must deny the
8 registration of any cooperative if the location does not comply with
9 the requirements set forth in subsection (3) of this section.

10 (5) If a qualifying patient or designated provider no longer
11 participates in growing at the location, he or she must notify the
12 state liquor and cannabis board within fifteen days of the date the
13 qualifying patient or designated provider ceases participation. The
14 state liquor and cannabis board must remove his or her name from
15 connection to the cooperative. Additional qualifying patients or
16 designated providers may not join the cooperative until sixty days
17 have passed since the date on which the last qualifying patient or
18 designated provider notifies the state liquor and cannabis board that
19 he or she no longer participates in that cooperative.

20 (6) Qualifying patients or designated providers who participate
21 in a cooperative under this section:

22 (a) May grow up to the total amount of plants for which each
23 participating member is authorized on their recognition cards, up to
24 a maximum of sixty plants. At the location, the qualifying patients
25 or designated providers may possess the amount of useable marijuana
26 that can be produced with the number of plants permitted under this
27 subsection, but no more than seventy-two ounces;

28 (b) May only participate in one cooperative;

29 (c) May only grow plants in the cooperative and if he or she
30 grows plants in the cooperative may not grow plants elsewhere;

31 (d) Must provide assistance in growing plants. A monetary
32 contribution or donation is not to be considered assistance under
33 this section. Participants must provide nonmonetary resources and
34 labor in order to participate; and

35 (e) May not sell, donate, or otherwise provide marijuana,
36 marijuana concentrates, useable marijuana, or marijuana-infused
37 products to a person who is not participating under this section.

38 (7) The location of the cooperative must be the domicile of one
39 of the participants. Only one cooperative may be located per property

1 tax parcel. A copy of each participant's recognition card must be
2 kept at the location at all times.

3 (8) The state liquor and cannabis board may adopt rules to
4 implement this section including:

5 (a) Any security requirements necessary to ensure the safety of
6 the cooperative and to reduce the risk of diversion from the
7 cooperative;

8 (b) A seed to sale traceability model that is similar to the seed
9 to sale traceability model used by licensees that will allow the
10 state liquor and cannabis board to track all marijuana grown in a
11 cooperative.

12 (9) The state liquor and cannabis board or law enforcement may
13 inspect a cooperative registered under this section to ensure members
14 are in compliance with this section. The state liquor and cannabis
15 board must adopt rules on reasonable inspection hours and reasons for
16 inspections.

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