
HOUSE BILL 2574

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By Representatives Kloba, Sawyer, Condotta, Slatter, Robinson, Kirby, Stanford, Vick, Pollet, Wylie, Tharinger, and Macri

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1 AN ACT Relating to establishing an endorsement to the marijuana
2 retailer's license authorizing delivery services to qualified medical
3 marijuana patients; amending RCW 69.50.375 and 43.06.490; adding a
4 new section to chapter 69.50 RCW; and providing an effective date.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 69.50
7 RCW to read as follows:

8 (1)(a) A medical marijuana delivery endorsement to a marijuana
9 retail license is established to permit a qualifying marijuana
10 retailer to deliver marijuana for medical use to a qualifying medical
11 marijuana patient or a designated provider.

12 (b) The medical marijuana delivery endorsement may be issued only
13 to licensed marijuana retailers holding a medical marijuana
14 endorsement pursuant to RCW 69.50.375. Subject to the requirements of
15 this section, this chapter, chapter 69.51A RCW, and the applicable
16 administrative rules, the holder of the endorsement may deliver
17 marijuana products to a qualifying medical marijuana patient or a
18 designated provider, at a private residence, hotel, motel, boarding
19 house, resort, hostel, trailer camp, or similar lodging business.

20 (c) The liquor and cannabis board shall, by rule, establish the
21 fee for the medical marijuana delivery endorsement. The amount of the

1 fee must reflect the expected costs of administering the program and
2 may be adjusted by the board to reflect the program's actual costs.

3 (d) A marijuana retailer holding a delivery endorsement under
4 this section may charge a fee to the customer for any delivery made
5 in accordance with this section.

6 (e)(i) Each medical marijuana delivery endorsement issued under
7 this section applies to only one licensed marijuana retail outlet.

8 (ii) If a person or entity that applies for a medical marijuana
9 delivery endorsement holds more than one marijuana retailer's
10 license, a separate delivery endorsement is required for each retail
11 outlet from which the license holder wishes to conduct the delivery
12 of marijuana products to qualified medical marijuana patients.

13 (2)(a) A delivery of marijuana products by a marijuana retailer
14 with a medical marijuana delivery endorsement may be made only to a
15 qualifying medical marijuana patient or a designated provider. The
16 person receiving delivery must be the same person who placed the
17 order and must receive delivery at premises of a type described in
18 subsection (1)(b) of this section.

19 (b) Any person delivering marijuana products under this section
20 must be an owner or employee of the licensee holding the medical
21 marijuana delivery endorsement and must have undergone training
22 regarding verification of age, verification of registration in the
23 medical marijuana authorization database and, in the case of a
24 designated provider, verification that she or he has a valid medical
25 marijuana recognition card.

26 (3) In accordance with the requirements of this section, the
27 pertinent provisions of this chapter and chapter 69.51A RCW, and the
28 applicable administrative rules, a licensed marijuana retailer with a
29 medical marijuana delivery endorsement may:

30 (a) Receive an order over the telephone or internet, by a
31 qualifying medical marijuana patient or designated provider for the
32 purchase and delivery of marijuana products; and

33 (b) Deliver marijuana products to the same person who placed the
34 order for the marijuana products over the telephone or internet.

35 (4)(a) A qualifying medical marijuana patient or a designated
36 provider who receives delivery of marijuana products must provide the
37 delivery person with valid identification showing proof of age as
38 well as a valid medical marijuana recognition card showing that the
39 recipient is registered in the medical marijuana authorization
40 database.

1 (b) The delivery person must confirm the validity of both the
2 recipients identification and medical marijuana recognition card
3 through the use of an electronic device or web-based application as
4 required by the liquor and cannabis board.

5 (5) No advertising related to marijuana or a retail marijuana
6 business may be displayed on a vehicle involved in the delivery of
7 marijuana products pursuant to a medical marijuana delivery
8 endorsement.

9 (6) The liquor and cannabis board may adopt rules necessary to
10 implement this section and must adopt rules that include the
11 following:

12 (a) Eligibility requirements for the issuance of a medical
13 marijuana delivery endorsement to a marijuana retailer;

14 (b) Training requirements for persons involved in the delivery of
15 marijuana products;

16 (c) Practices and procedures for conducting compliance tests to
17 ensure that no marijuana products are delivered to a person who does
18 not meet the age and medical marijuana authorization database
19 registration requirements established under this section;

20 (d) Civil penalties and other administrative actions, as the
21 board deems appropriate, that may be imposed upon a medical marijuana
22 delivery endorsement holder that delivers marijuana products to a
23 person under twenty-one years of age or is not registered in the
24 medical marijuana authorization database;

25 (e) Procedures for age verification and verification of
26 registration in the medical marijuana authorization database;

27 (f) Delivery vehicle requirements, including the maximum number
28 of delivery vehicles that may be used by a marijuana retailer per
29 work shift;

30 (g) Security requirements;

31 (h) Recordkeeping requirements;

32 (i) Limits on the amounts of marijuana products and money that
33 may be carried in a delivery vehicle;

34 (j) Practices and procedures to ensure that marijuana products
35 delivered under this section are subject to the same traceability
36 requirements applicable to marijuana products sold by a licensed
37 marijuana retailer pursuant to this chapter and the rules adopted to
38 implement this chapter; and

39 (k) Penalties for violations of this section or rules adopted to
40 implement this section.

1 (7) It is not a violation of any provision of state law, civil or
2 criminal, for the owner or employee of a retail marijuana outlet with
3 a medical marijuana delivery endorsement to possess, transport, and
4 deliver marijuana products in amounts that do not exceed the maximum
5 amounts established by the liquor and cannabis board if such
6 delivery-related activities are consistent with other requirements
7 set forth in this chapter and chapter 69.51A RCW and the rules
8 adopted by the liquor and cannabis board.

9 (8) For the purposes of this section:

10 (a) "Designated provider" has the meaning provided in RCW
11 69.51A.010;

12 (b) "Medical marijuana authorization database" has the meaning
13 provided in RCW 69.51A.010; and

14 (c) "Qualifying medical marijuana patient" means a qualifying
15 patient under chapter 69.51A RCW who is at least twenty-one years of
16 age, is registered in the medical marijuana authorization database,
17 and possesses a valid recognition card issued pursuant to RCW
18 69.51A.230.

19 **Sec. 2.** RCW 69.50.375 and 2015 c 70 s 10 are each amended to
20 read as follows:

21 (1) A medical marijuana endorsement to a marijuana retail license
22 is hereby established to permit a marijuana retailer to sell
23 marijuana for medical use to qualifying patients and designated
24 providers. This endorsement also permits such retailers to provide
25 marijuana at no charge, at their discretion, to qualifying patients
26 and designated providers.

27 (2) A licensed marijuana retailer holding both the endorsement
28 established in this section and the medical marijuana delivery
29 endorsement established in section 1 of this act may deliver
30 marijuana for medical use to a qualifying medical marijuana patient
31 in accordance with the requirements established in section 1 of this
32 act. A qualifying medical marijuana retailer may charge a fee for
33 such delivery services.

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

36 ~~((+3))~~ (4) To be issued an endorsement, a marijuana retailer
37 must:

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

1 authorize the medical use of marijuana for qualifying patients at the
2 retail outlet;

3 (b) Carry marijuana concentrates and marijuana-infused products
4 identified by the department under subsection (~~(4)~~) (5) of this
5 section;

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

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

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

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

21 (~~(4)~~) (5) The department, in conjunction with the state liquor
22 and cannabis board, must adopt rules on requirements for marijuana
23 concentrates, useable marijuana, and marijuana-infused products that
24 may be sold, or provided at no charge, to qualifying patients or
25 designated providers at a retail outlet holding a medical marijuana
26 endorsement. These rules must include:

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

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

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

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

3 (e) Training requirements for employees.

4 ~~((+5))~~ (6) A marijuana retailer holding an endorsement to sell
5 marijuana to qualifying patients or designated providers must train
6 its employees on:

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

10 (b) Recognition of valid recognition cards; and

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

16 **Sec. 3.** RCW 43.06.490 and 2015 c 207 s 2 are each amended to
17 read as follows:

18 (1) The governor may enter into agreements with federally
19 recognized Indian tribes concerning marijuana. Marijuana agreements
20 may address any marijuana-related issue that involves both state and
21 tribal interests or otherwise has an impact on tribal-state
22 relations. Such agreements may include, but are not limited to, the
23 following provisions and subject matter:

24 (a) Criminal and civil law enforcement;

25 (b) Regulatory issues related to the commercial production,
26 processing, sale, and possession of marijuana, and processed
27 marijuana products, for both recreational and medical purposes;

28 (c) Medical and pharmaceutical research involving marijuana;

29 (d) Taxation in accordance with subsection (2) of this section;

30 (e) Any tribal immunities or preemption of state law regarding
31 the production, processing, or marketing of marijuana; ~~((and))~~

32 (f) Dispute resolution, including the use of mediation or other
33 nonjudicial process; and

34 (g) Delivery sales to qualified medical marijuana patients as
35 defined in section 1 of this act or a designated provider as defined
36 in RCW 69.51A.010, by tribes, tribal enterprises, or tribal member-
37 owned businesses that are retailers of marijuana where:

38 (i) The marijuana delivery process originates in Indian country;

1 (ii) Physical transfer of possession of marijuana occurs within
2 or outside of Indian country; and

3 (iii) Delivery sale requirements are the same or substantially
4 the same as delivery sale requirements established under section 1 of
5 this act.

6 (2)(a) Each marijuana agreement adopted under this section must
7 provide for a tribal marijuana tax that is at least one hundred
8 percent of the state marijuana excise tax imposed under RCW 69.50.535
9 and state and local sales and use taxes on sales of marijuana.
10 Marijuana agreements apply to sales in which tribes, tribal
11 enterprises, or tribal member-owned businesses (i) deliver or cause
12 delivery to be made to or receive delivery from a marijuana producer,
13 processor, or retailer licensed under chapter 69.50 RCW or (ii)
14 physically transfer possession of the marijuana from the seller to
15 the buyer within Indian country.

16 (b) The tribe may allow an exemption from tax for sales to the
17 tribe, tribal enterprises, tribal member-owned businesses, or tribal
18 members(~~(+)~~), on marijuana grown, produced, or processed within its
19 Indian country, or for activities to the extent they are exempt under
20 state or federal law from the state marijuana excise tax imposed
21 under RCW 69.50.535 or state and local sales or use taxes on sales of
22 marijuana. Medical marijuana products used in the course of medical
23 treatments by a clinic, hospital, or similar facility owned and
24 operated by a federally recognized Indian tribe within its Indian
25 country may be exempted from tax under the terms of an agreement
26 entered into under this section.

27 (3) Any marijuana agreement relating to the production,
28 processing, and sale of marijuana in Indian country, whether for
29 recreational or medical purposes, must address the following issues:

30 (a) Preservation of public health and safety;

31 (b) Ensuring the security of production, processing, retail, and
32 research facilities; and

33 (c) Cross-border commerce in marijuana.

34 (4) The governor may delegate the power to negotiate marijuana
35 agreements to the state liquor (~~control~~) and cannabis board. In
36 conducting such negotiations, the state liquor (~~control~~) and
37 cannabis board must, when necessary, consult with the governor and/or
38 the department of revenue.

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

1 (a) "Indian country" has the same meaning as in RCW 82.24.010.

2 (b) "Indian tribe" or "tribe" means a federally recognized Indian
3 tribe located within the geographical boundaries of the state of
4 Washington.

5 (c) "Marijuana" means "marijuana," "marijuana concentrates,"
6 "marijuana-infused products," and "useable marijuana," as those terms
7 are defined in RCW 69.50.101.

8 NEW SECTION. **Sec. 4.** This act takes effect July 1, 2019.

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