

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE SENATE BILL 5131**

Chapter 317, Laws of 2017

65th Legislature  
2017 Regular Session

MARIJUANA--VARIOUS CHANGES

EFFECTIVE DATE: 7/23/2017

Passed by the Senate April 20, 2017  
Yeas 44 Nays 5

CYRUS HABIB

\_\_\_\_\_  
**President of the Senate**

Passed by the House April 20, 2017  
Yeas 63 Nays 33

FRANK CHOPP

\_\_\_\_\_  
**Speaker of the House of Representatives**

Approved May 16, 2017 11:14 AM

JAY INSLEE

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5131** as passed by Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

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**Secretary**

FILED

May 16, 2017

**Secretary of State  
State of Washington**

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ENGROSSED SUBSTITUTE SENATE BILL 5131

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AS AMENDED BY THE CONFERENCE COMMITTEE

Passed Legislature - 2017 Regular Session

State of Washington

65th Legislature

2017 Regular Session

By Senate Commerce, Labor & Sports (originally sponsored by Senators Rivers and Conway; by request of Liquor and Cannabis Board)

READ FIRST TIME 02/06/17.

1 AN ACT Relating to marijuana with respect to privileges for  
2 research licenses, local authority notifications, the retail  
3 licensing merit-based application process, certain transfers of  
4 plants and seeds, licensing agreements and contracts, advertising,  
5 and jurisdictional requirements; amending RCW 69.50.325, 69.50.331,  
6 69.50.372, 66.08.100, 69.50.366, 69.50.382, 69.51A.250, 69.50.357,  
7 69.50.369, and 69.50.4013; reenacting and amending RCW 69.50.101 and  
8 42.56.270; adding new sections to chapter 15.120 RCW; adding a new  
9 section to chapter 69.51A RCW; adding a new section to chapter 69.50  
10 RCW; adding a new chapter to Title 15 RCW; creating new sections; and  
11 prescribing penalties.

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

13 **Sec. 1.** RCW 69.50.325 and 2016 c 170 s 1 are each amended to  
14 read as follows:

15 (1) There shall be a marijuana producer's license regulated by  
16 the state liquor and cannabis board and subject to annual renewal.  
17 The licensee is authorized to produce: (a) Marijuana for sale at  
18 wholesale to marijuana processors and other marijuana producers ((and  
19 to produce marijuana)); (b) immature plants or clones and seeds for  
20 sale to cooperatives as described under RCW 69.51A.250((, regulated  
21 by the state liquor and cannabis board and subject to annual

1 ~~renewal~~); and (c) immature plants or clones and seeds for sale to  
2 qualifying patients and designated providers as provided under  
3 section 11 of this act. The production, possession, delivery,  
4 distribution, and sale of marijuana in accordance with the provisions  
5 of this chapter and the rules adopted to implement and enforce it, by  
6 a validly licensed marijuana producer, shall not be a criminal or  
7 civil offense under Washington state law. Every marijuana producer's  
8 license shall be issued in the name of the applicant, shall specify  
9 the location at which the marijuana producer intends to operate,  
10 which must be within the state of Washington, and the holder thereof  
11 shall not allow any other person to use the license. The application  
12 fee for a marijuana producer's license shall be two hundred fifty  
13 dollars. The annual fee for issuance and renewal of a marijuana  
14 producer's license shall be one thousand dollars. A separate license  
15 shall be required for each location at which a marijuana producer  
16 intends to produce marijuana.

17 (2) There shall be a marijuana processor's license to process,  
18 package, and label marijuana concentrates, useable marijuana, and  
19 marijuana-infused products for sale at wholesale to marijuana  
20 processors and marijuana retailers, regulated by the state liquor and  
21 cannabis board and subject to annual renewal. The processing,  
22 packaging, possession, delivery, distribution, and sale of marijuana,  
23 useable marijuana, marijuana-infused products, and marijuana  
24 concentrates in accordance with the provisions of this chapter and  
25 chapter 69.51A RCW and the rules adopted to implement and enforce  
26 these chapters, by a validly licensed marijuana processor, shall not  
27 be a criminal or civil offense under Washington state law. Every  
28 marijuana processor's license shall be issued in the name of the  
29 applicant, shall specify the location at which the licensee intends  
30 to operate, which must be within the state of Washington, and the  
31 holder thereof shall not allow any other person to use the license.  
32 The application fee for a marijuana processor's license shall be two  
33 hundred fifty dollars. The annual fee for issuance and renewal of a  
34 marijuana processor's license shall be one thousand dollars. A  
35 separate license shall be required for each location at which a  
36 marijuana processor intends to process marijuana.

37 (3)(a) There shall be a marijuana retailer's license to sell  
38 marijuana concentrates, useable marijuana, and marijuana-infused  
39 products at retail in retail outlets, regulated by the state liquor  
40 and cannabis board and subject to annual renewal. The possession,

1 delivery, distribution, and sale of marijuana concentrates, useable  
2 marijuana, and marijuana-infused products in accordance with the  
3 provisions of this chapter and the rules adopted to implement and  
4 enforce it, by a validly licensed marijuana retailer, shall not be a  
5 criminal or civil offense under Washington state law. Every marijuana  
6 retailer's license shall be issued in the name of the applicant,  
7 shall specify the location of the retail outlet the licensee intends  
8 to operate, which must be within the state of Washington, and the  
9 holder thereof shall not allow any other person to use the license.  
10 The application fee for a marijuana retailer's license shall be two  
11 hundred fifty dollars. The annual fee for issuance and renewal of a  
12 marijuana retailer's license shall be one thousand dollars. A  
13 separate license shall be required for each location at which a  
14 marijuana retailer intends to sell marijuana concentrates, useable  
15 marijuana, and marijuana-infused products.

16 (b) An individual retail licensee and all other persons or  
17 entities with a financial or other ownership interest in the business  
18 operating under the license are limited, in the aggregate, to holding  
19 a collective total of not more than five retail marijuana licenses.

20 (c)(i) A marijuana retailer's license is subject to forfeiture in  
21 accordance with rules adopted by the state liquor and cannabis board  
22 pursuant to this section.

23 (ii) The state liquor and cannabis board shall adopt rules to  
24 establish a license forfeiture process for a licensed marijuana  
25 retailer that is not fully operational and open to the public within  
26 a specified period from the date of license issuance, as established  
27 by the state liquor and cannabis board, subject to the following  
28 restrictions:

29 (A) No marijuana retailer's license may be subject to forfeiture  
30 within the first nine months of license issuance; and

31 (B) The state liquor and cannabis board must require license  
32 forfeiture on or before twenty-four calendar months of license  
33 issuance if a marijuana retailer is not fully operational and open to  
34 the public, unless the board determines that circumstances out of the  
35 licensee's control are preventing the licensee from becoming fully  
36 operational and that, in the board's discretion, the circumstances  
37 warrant extending the forfeiture period beyond twenty-four calendar  
38 months.

39 (iii) The state liquor and cannabis board has discretion in  
40 adopting rules under this subsection (3)(c).

1 (iv) This subsection (3)(c) applies to marijuana retailer's  
2 licenses issued before and after the effective date of this section.  
3 However, no license of a marijuana retailer that otherwise meets the  
4 conditions for license forfeiture established pursuant to this  
5 subsection (3)(c) may be subject to forfeiture within the first nine  
6 calendar months of the effective date of this section.

7 (v) The state liquor and cannabis board may not require license  
8 forfeiture if the licensee has been incapable of opening a fully  
9 operational retail marijuana business due to actions by the city,  
10 town, or county with jurisdiction over the licensee that include any  
11 of the following:

12 (A) The adoption of a ban or moratorium that prohibits the  
13 opening of a retail marijuana business; or

14 (B) The adoption of an ordinance or regulation related to zoning,  
15 business licensing, land use, or other regulatory measure that has  
16 the effect of preventing a licensee from receiving an occupancy  
17 permit from the jurisdiction or which otherwise prevents a licensed  
18 marijuana retailer from becoming operational.

19 **Sec. 2.** RCW 69.50.331 and 2015 2nd sp.s. c 4 s 301 are each  
20 amended to read as follows:

21 (1) For the purpose of considering any application for a license  
22 to produce, process, research, transport, or deliver marijuana,  
23 useable marijuana, marijuana concentrates, or marijuana-infused  
24 products subject to the regulations established under RCW 69.50.385,  
25 or sell marijuana, or for the renewal of a license to produce,  
26 process, research, transport, or deliver marijuana, useable  
27 marijuana, marijuana concentrates, or marijuana-infused products  
28 subject to the regulations established under RCW 69.50.385, or sell  
29 marijuana, the state liquor and cannabis board must conduct a  
30 comprehensive, fair, and impartial evaluation of the applications  
31 timely received.

32 ~~(a) ((The state liquor and cannabis board must develop a~~  
33 ~~competitive, merit-based application process that includes, at a~~  
34 ~~minimum, the opportunity for an applicant to demonstrate experience~~  
35 ~~and qualifications in the marijuana industry. The state liquor and~~  
36 ~~cannabis board must give preference between competing applications in~~  
37 ~~the licensing process to applicants that have the following~~  
38 ~~experience and qualifications, in the following order of priority:~~

39 ~~(i) First priority is given to applicants who:~~

1 ~~(A) Applied to the state liquor and cannabis board for a~~  
2 ~~marijuana retailer license prior to July 1, 2014;~~

3 ~~(B) Operated or were employed by a collective garden before~~  
4 ~~January 1, 2013;~~

5 ~~(C) Have maintained a state business license and a municipal~~  
6 ~~business license, as applicable in the relevant jurisdiction; and~~

7 ~~(D) Have had a history of paying all applicable state taxes and~~  
8 ~~fees;~~

9 ~~(ii) Second priority must be given to applicants who:~~

10 ~~(A) Operated or were employed by a collective garden before~~  
11 ~~January 1, 2013;~~

12 ~~(B) Have maintained a state business license and a municipal~~  
13 ~~business license, as applicable in the relevant jurisdiction; and~~

14 ~~(C) Have had a history of paying all applicable state taxes and~~  
15 ~~fees; and~~

16 ~~(iii) Third priority must be given to all other applicants who do~~  
17 ~~not have the experience and qualifications identified in (a)(i) and~~  
18 ~~(ii) of this subsection.~~

19 ~~(b))~~ The state liquor and cannabis board may cause an inspection  
20 of the premises to be made, and may inquire into all matters in  
21 connection with the construction and operation of the premises. For  
22 the purpose of reviewing any application for a license and for  
23 considering the denial, suspension, revocation, or renewal or denial  
24 thereof, of any license, the state liquor and cannabis board may  
25 consider any prior criminal conduct of the applicant including an  
26 administrative violation history record with the state liquor and  
27 cannabis board and a criminal history record information check. The  
28 state liquor and cannabis board may submit the criminal history  
29 record information check to the Washington state patrol and to the  
30 identification division of the federal bureau of investigation in  
31 order that these agencies may search their records for prior arrests  
32 and convictions of the individual or individuals who filled out the  
33 forms. The state liquor and cannabis board must require  
34 fingerprinting of any applicant whose criminal history record  
35 information check is submitted to the federal bureau of  
36 investigation. The provisions of RCW 9.95.240 and of chapter 9.96A  
37 RCW do not apply to these cases. Subject to the provisions of this  
38 section, the state liquor and cannabis board may, in its discretion,  
39 grant or deny the renewal or license applied for. Denial may be based  
40 on, without limitation, the existence of chronic illegal activity

1 documented in objections submitted pursuant to subsections (7)(c) and  
2 (10) of this section. Authority to approve an uncontested or  
3 unopposed license may be granted by the state liquor and cannabis  
4 board to any staff member the board designates in writing. Conditions  
5 for granting this authority must be adopted by rule.

6 ~~((e))~~(b) No license of any kind may be issued to:

7 (i) A person under the age of twenty-one years;

8 (ii) A person doing business as a sole proprietor who has not  
9 lawfully resided in the state for at least six months prior to  
10 applying to receive a license;

11 (iii) A partnership, employee cooperative, association, nonprofit  
12 corporation, or corporation unless formed under the laws of this  
13 state, and unless all of the members thereof are qualified to obtain  
14 a license as provided in this section; or

15 (iv) A person whose place of business is conducted by a manager  
16 or agent, unless the manager or agent possesses the same  
17 qualifications required of the licensee.

18 (2)(a) The state liquor and cannabis board may, in its  
19 discretion, subject to the provisions of RCW 69.50.334, suspend or  
20 cancel any license; and all protections of the licensee from criminal  
21 or civil sanctions under state law for producing, processing,  
22 researching, or selling marijuana, marijuana concentrates, useable  
23 marijuana, or marijuana-infused products thereunder must be suspended  
24 or terminated, as the case may be.

25 (b) The state liquor and cannabis board must immediately suspend  
26 the license of a person who has been certified pursuant to RCW  
27 74.20A.320 by the department of social and health services as a  
28 person who is not in compliance with a support order. If the person  
29 has continued to meet all other requirements for reinstatement during  
30 the suspension, reissuance of the license is automatic upon the state  
31 liquor and cannabis board's receipt of a release issued by the  
32 department of social and health services stating that the licensee is  
33 in compliance with the order.

34 (c) The state liquor and cannabis board may request the  
35 appointment of administrative law judges under chapter 34.12 RCW who  
36 shall have power to administer oaths, issue subpoenas for the  
37 attendance of witnesses and the production of papers, books,  
38 accounts, documents, and testimony, examine witnesses, and to receive  
39 testimony in any inquiry, investigation, hearing, or proceeding in

1 any part of the state, under rules and regulations the state liquor  
2 and cannabis board may adopt.

3 (d) Witnesses must be allowed fees and mileage each way to and  
4 from any inquiry, investigation, hearing, or proceeding at the rate  
5 authorized by RCW 34.05.446. Fees need not be paid in advance of  
6 appearance of witnesses to testify or to produce books, records, or  
7 other legal evidence.

8 (e) In case of disobedience of any person to comply with the  
9 order of the state liquor and cannabis board or a subpoena issued by  
10 the state liquor and cannabis board, or any of its members, or  
11 administrative law judges, or on the refusal of a witness to testify  
12 to any matter regarding which he or she may be lawfully interrogated,  
13 the judge of the superior court of the county in which the person  
14 resides, on application of any member of the board or administrative  
15 law judge, compels obedience by contempt proceedings, as in the case  
16 of disobedience of the requirements of a subpoena issued from said  
17 court or a refusal to testify therein.

18 (3) Upon receipt of notice of the suspension or cancellation of a  
19 license, the licensee must forthwith deliver up the license to the  
20 state liquor and cannabis board. Where the license has been suspended  
21 only, the state liquor and cannabis board must return the license to  
22 the licensee at the expiration or termination of the period of  
23 suspension. The state liquor and cannabis board must notify all other  
24 licensees in the county where the subject licensee has its premises  
25 of the suspension or cancellation of the license; and no other  
26 licensee or employee of another licensee may allow or cause any  
27 marijuana, marijuana concentrates, useable marijuana, or marijuana-  
28 infused products to be delivered to or for any person at the premises  
29 of the subject licensee.

30 (4) Every license issued under this chapter is subject to all  
31 conditions and restrictions imposed by this chapter or by rules  
32 adopted by the state liquor and cannabis board to implement and  
33 enforce this chapter. All conditions and restrictions imposed by the  
34 state liquor and cannabis board in the issuance of an individual  
35 license must be listed on the face of the individual license along  
36 with the trade name, address, and expiration date.

37 (5) Every licensee must post and keep posted its license, or  
38 licenses, in a conspicuous place on the premises.

39 (6) No licensee may employ any person under the age of twenty-one  
40 years.



1 (7)(a) Before the state liquor and cannabis board issues a new or  
2 renewed license to an applicant it must give notice of the  
3 application to the chief executive officer of the incorporated city  
4 or town, if the application is for a license within an incorporated  
5 city or town, or to the county legislative authority, if the  
6 application is for a license outside the boundaries of incorporated  
7 cities or towns, or to the tribal government if the application is  
8 for a license within Indian country, or to the port authority if the  
9 application for a license is located on property owned by a port  
10 authority.

11 (b) The incorporated city or town through the official or  
12 employee selected by it, (~~or~~) the county legislative authority or  
13 the official or employee selected by it, the tribal government, or  
14 port authority has the right to file with the state liquor and  
15 cannabis board within twenty days after the date of transmittal of  
16 the notice for applications, or at least thirty days prior to the  
17 expiration date for renewals, written objections against the  
18 applicant or against the premises for which the new or renewed  
19 license is asked. The state liquor and cannabis board may extend the  
20 time period for submitting written objections upon request from the  
21 authority notified by the state liquor and cannabis board.

22 (c) The written objections must include a statement of all facts  
23 upon which the objections are based, and in case written objections  
24 are filed, the city or town or county legislative authority may  
25 request, and the state liquor and cannabis board may in its  
26 discretion hold, a hearing subject to the applicable provisions of  
27 Title 34 RCW. If the state liquor and cannabis board makes an initial  
28 decision to deny a license or renewal based on the written objections  
29 of an incorporated city or town or county legislative authority, the  
30 applicant may request a hearing subject to the applicable provisions  
31 of Title 34 RCW. If a hearing is held at the request of the  
32 applicant, state liquor and cannabis board representatives must  
33 present and defend the state liquor and cannabis board's initial  
34 decision to deny a license or renewal.

35 (d) Upon the granting of a license under this title the state  
36 liquor and cannabis board must send written notification to the chief  
37 executive officer of the incorporated city or town in which the  
38 license is granted, or to the county legislative authority if the  
39 license is granted outside the boundaries of incorporated cities or  
40 towns.

1 (8)(a) Except as provided in (b) through (d) of this subsection,  
2 the state liquor and cannabis board may not issue a license for any  
3 premises within one thousand feet of the perimeter of the grounds of  
4 any elementary or secondary school, playground, recreation center or  
5 facility, child care center, public park, public transit center, or  
6 library, or any game arcade admission to which is not restricted to  
7 persons aged twenty-one years or older.

8 (b) A city, county, or town may permit the licensing of premises  
9 within one thousand feet but not less than one hundred feet of the  
10 facilities described in (a) of this subsection, except elementary  
11 schools, secondary schools, and playgrounds, by enacting an ordinance  
12 authorizing such distance reduction, provided that such distance  
13 reduction will not negatively impact the jurisdiction's civil  
14 regulatory enforcement, criminal law enforcement interests, public  
15 safety, or public health.

16 (c) A city, county, or town may permit the licensing of research  
17 premises allowed under RCW 69.50.372 within one thousand feet but not  
18 less than one hundred feet of the facilities described in (a) of this  
19 subsection by enacting an ordinance authorizing such distance  
20 reduction, provided that the ordinance will not negatively impact the  
21 jurisdiction's civil regulatory enforcement, criminal law  
22 enforcement, public safety, or public health.

23 (d) The state liquor and cannabis board may license premises  
24 located in compliance with the distance requirements set in an  
25 ordinance adopted under (b) or (c) of this subsection. Before issuing  
26 or renewing a research license for premises within one thousand feet  
27 but not less than one hundred feet of an elementary school, secondary  
28 school, or playground in compliance with an ordinance passed pursuant  
29 to (c) of this subsection, the board must ensure that the facility:

30 (i) Meets a security standard exceeding that which applies to  
31 marijuana producer, processor, or retailer licensees;

32 (ii) Is inaccessible to the public and no part of the operation  
33 of the facility is in view of the general public; and

34 (iii) Bears no advertising or signage indicating that it is a  
35 marijuana research facility.

36 (e) The state liquor and cannabis board may not issue a license  
37 for any premises within Indian country, as defined in 18 U.S.C. Sec.  
38 1151, including any fee patent lands within the exterior boundaries  
39 of a reservation, without the consent of the federally recognized  
40 tribe associated with the reservation or Indian country.

1           (9) (~~Subject to section 1601 of this act,~~) A city, town, or  
2 county may adopt an ordinance prohibiting a marijuana producer or  
3 marijuana processor from operating or locating a business within  
4 areas zoned primarily for residential use or rural use with a minimum  
5 lot size of five acres or smaller.

6           (10) In determining whether to grant or deny a license or renewal  
7 of any license, the state liquor and cannabis board must give  
8 substantial weight to objections from an incorporated city or town or  
9 county legislative authority based upon chronic illegal activity  
10 associated with the applicant's operations of the premises proposed  
11 to be licensed or the applicant's operation of any other licensed  
12 premises, or the conduct of the applicant's patrons inside or outside  
13 the licensed premises. "Chronic illegal activity" means (a) a  
14 pervasive pattern of activity that threatens the public health,  
15 safety, and welfare of the city, town, or county including, but not  
16 limited to, open container violations, assaults, disturbances,  
17 disorderly conduct, or other criminal law violations, or as  
18 documented in crime statistics, police reports, emergency medical  
19 response data, calls for service, field data, or similar records of a  
20 law enforcement agency for the city, town, county, or any other  
21 municipal corporation or any state agency; or (b) an unreasonably  
22 high number of citations for violations of RCW 46.61.502 associated  
23 with the applicant's or licensee's operation of any licensed premises  
24 as indicated by the reported statements given to law enforcement upon  
25 arrest.

26           **Sec. 3.** RCW 69.50.372 and 2016 sp.s. c 9 s 1 are each amended to  
27 read as follows:

28           (1) A marijuana research license is established that permits a  
29 licensee to produce, process, and possess marijuana for the following  
30 limited research purposes:

31           (a) To test chemical potency and composition levels;

32           (b) To conduct clinical investigations of marijuana-derived drug  
33 products;

34           (c) To conduct research on the efficacy and safety of  
35 administering marijuana as part of medical treatment; and

36           (d) To conduct genomic or agricultural research.

37           (2) As part of the application process for a marijuana research  
38 license, an applicant must submit to the liquor and cannabis board's  
39 designated scientific reviewer a description of the research that is

1 intended to be conducted. The liquor and cannabis board must select a  
2 scientific reviewer to review an applicant's research project and  
3 determine that it meets the requirements of subsection (1) of this  
4 section, as well as assess the following:

5 (a) Project quality, study design, value, or impact;

6 (b) Whether applicants have the appropriate personnel, expertise,  
7 facilities/infrastructure, funding, and human/animal/other federal  
8 approvals in place to successfully conduct the project; and

9 (c) Whether the amount of marijuana to be grown by the applicant  
10 is consistent with the project's scope and goals.

11 If the scientific reviewer determines that the research project  
12 does not meet the requirements of subsection (1) of this section, the  
13 application must be denied.

14 (3) A marijuana research licensee may only sell marijuana grown  
15 or within its operation to other marijuana research licensees. The  
16 liquor and cannabis board may revoke a marijuana research license for  
17 violations of this subsection.

18 (4) A marijuana research licensee may contract with the  
19 University of Washington or Washington State University to perform  
20 research in conjunction with the university. All research projects,  
21 not including those projects conducted pursuant to a contract entered  
22 into under RCW 28B.20.502(3), must be approved by the scientific  
23 reviewer and meet the requirements of subsection (1) of this section.

24 (5) In establishing a marijuana research license, the liquor and  
25 cannabis board may adopt rules on the following:

26 (a) Application requirements;

27 (b) Marijuana research license renewal requirements, including  
28 whether additional research projects may be added or considered;

29 (c) Conditions for license revocation;

30 (d) Security measures to ensure marijuana is not diverted to  
31 purposes other than research;

32 (e) Amount of plants, useable marijuana, marijuana concentrates,  
33 or marijuana-infused products a licensee may have on its premises;

34 (f) Licensee reporting requirements;

35 (g) Conditions under which marijuana grown by licensed marijuana  
36 producers and other product types from licensed marijuana processors  
37 may be donated to marijuana research licensees; and

38 (h) Additional requirements deemed necessary by the liquor and  
39 cannabis board.

1 (6) The production, processing, possession, delivery, donation,  
2 and sale of marijuana, including immature plants or clones and seeds,  
3 in accordance with this section, RCW 69.50.366(3), and the rules  
4 adopted to implement and enforce ~~((it))~~this section and RCW  
5 69.50.366(3), by a validly licensed marijuana researcher, shall not  
6 be a criminal or civil offense under Washington state law. Every  
7 marijuana research license must be issued in the name of the  
8 applicant, must specify the location at which the marijuana  
9 researcher intends to operate, which must be within the state of  
10 Washington, and the holder thereof may not allow any other person to  
11 use the license.

12 (7) The application fee for a marijuana research license is two  
13 hundred fifty dollars. The annual fee for issuance and renewal of a  
14 marijuana research license is one thousand dollars. The applicant  
15 must pay the cost of the review process directly to the scientific  
16 reviewer as designated by the liquor and cannabis board.

17 (8) The scientific reviewer shall review any reports made by  
18 marijuana research licensees under liquor and cannabis board rule and  
19 provide the liquor and cannabis board with its determination on  
20 whether the research project continues to meet research  
21 qualifications under this section.

22 (9) For the purposes of this section, "scientific reviewer" means  
23 an organization that convenes or contracts with persons who have the  
24 training and experience in research practice and research methodology  
25 to determine whether a project meets the criteria for a marijuana  
26 research license under this section and to review any reports  
27 submitted by marijuana research licensees under liquor and cannabis  
28 board rule. "Scientific reviewers" include, but are not limited to,  
29 educational institutions, research institutions, peer review bodies,  
30 or such other organizations that are focused on science or research  
31 in its day-to-day activities.

32 **Sec. 4.** RCW 66.08.100 and 2012 c 117 s 269 are each amended to  
33 read as follows:

34 No court of the state of Washington other than the superior court  
35 of Thurston county shall have jurisdiction over any action or  
36 proceeding against the board or any member thereof for anything done  
37 or omitted to be done in or arising out of the performance of his or  
38 her or their duties under this title. Neither the board nor any  
39 member or members thereof shall be personally liable in any action at

1 law for damages sustained by any person because of any acts performed  
2 or done or omitted to be done by the board or any employee of the  
3 board in the performance of his or her duties and in the  
4 administration of this title or chapter 69.50 or 69.51A RCW.

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

7 The definitions in this section apply throughout this chapter  
8 unless the context clearly requires otherwise.

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

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

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

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

20 (c) "CBD concentration" has the meaning provided in RCW  
21 69.51A.010.

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

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

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

29 (i) that has a stimulant, depressant, or hallucinogenic effect on  
30 the central nervous system substantially similar to the stimulant,  
31 depressant, or hallucinogenic effect on the central nervous system of  
32 a controlled substance included in Schedule I or II; or

33 (ii) with respect to a particular individual, that the individual  
34 represents or intends to have a stimulant, depressant, or  
35 hallucinogenic effect on the central nervous system substantially  
36 similar to the stimulant, depressant, or hallucinogenic effect on the  
37 central nervous system of a controlled substance included in Schedule  
38 I or II.

39 (2) The term does not include:

1 (i) a controlled substance;

2 (ii) a substance for which there is an approved new drug  
3 application;

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

9 (iv) any substance to the extent not intended for human  
10 consumption before an exemption takes effect with respect to the  
11 substance.

12 (g) "Deliver" or "delivery(( $\tau$ ))" means the actual or constructive  
13 transfer from one person to another of a substance, whether or not  
14 there is an agency relationship.

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

16 (i) "Designated provider" has the meaning provided in RCW  
17 69.51A.010.

18 (j) "Dispense" means the interpretation of a prescription or  
19 order for a controlled substance and, pursuant to that prescription  
20 or order, the proper selection, measuring, compounding, labeling, or  
21 packaging necessary to prepare that prescription or order for  
22 delivery.

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

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

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

27 (n) "Drug" means (1) a controlled substance recognized as a drug  
28 in the official United States pharmacopoeia/national formulary or the  
29 official homeopathic pharmacopoeia of the United States, or any  
30 supplement to them; (2) controlled substances intended for use in the  
31 diagnosis, cure, mitigation, treatment, or prevention of disease in  
32 individuals or animals; (3) controlled substances (other than food)  
33 intended to affect the structure or any function of the body of  
34 individuals or animals; and (4) controlled substances intended for  
35 use as a component of any article specified in (1), (2), or (3) of  
36 this subsection. The term does not include devices or their  
37 components, parts, or accessories.

38 (o) "Drug enforcement administration" means the drug enforcement  
39 administration in the United States Department of Justice, or its  
40 successor agency.

1 (p) "Electronic communication of prescription information" means  
2 the transmission of a prescription or refill authorization for a drug  
3 of a practitioner using computer systems. The term does not include a  
4 prescription or refill authorization verbally transmitted by  
5 telephone nor a facsimile manually signed by the practitioner.

6 (q) "Immature plant or clone" means a plant or clone that has no  
7 flowers, is less than twelve inches in height, and is less than  
8 twelve inches in diameter.

9 (r) "Immediate precursor" means a substance:

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

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

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

17 (~~(r)~~)(s) "Isomer" means an optical isomer, but in subsection  
18 (~~(dd)~~)(ee)(5) of this section, RCW 69.50.204(a) (12) and (34), and  
19 69.50.206(b)(4), the term includes any geometrical isomer; in RCW  
20 69.50.204(a) (8) and (42), and 69.50.210(c) the term includes any  
21 positional isomer; and in RCW 69.50.204(a)(35), 69.50.204(c), and  
22 69.50.208(a) the term includes any positional or geometric isomer.

23 (~~(s)~~)(t) "Lot" means a definite quantity of marijuana,  
24 marijuana concentrates, useable marijuana, or marijuana-infused  
25 product identified by a lot number, every portion or package of which  
26 is uniform within recognized tolerances for the factors that appear  
27 in the labeling.

28 (~~(t)~~)(u) "Lot number" must identify the licensee by business or  
29 trade name and Washington state unified business identifier number,  
30 and the date of harvest or processing for each lot of marijuana,  
31 marijuana concentrates, useable marijuana, or marijuana-infused  
32 product.

33 (~~(u)~~)(v) "Manufacture" means the production, preparation,  
34 propagation, compounding, conversion, or processing of a controlled  
35 substance, either directly or indirectly or by extraction from  
36 substances of natural origin, or independently by means of chemical  
37 synthesis, or by a combination of extraction and chemical synthesis,  
38 and includes any packaging or repackaging of the substance or  
39 labeling or relabeling of its container. The term does not include



1 the preparation, compounding, packaging, repackaging, labeling, or  
2 relabeling of a controlled substance:

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

6 (2) by a practitioner, or by the practitioner's authorized agent  
7 under the practitioner's supervision, for the purpose of, or as an  
8 incident to, research, teaching, or chemical analysis and not for  
9 sale.

10 ~~((v))~~(w) "Marijuana" or "marihuana" means all parts of the  
11 plant *Cannabis*, whether growing or not, with a THC concentration  
12 greater than 0.3 percent on a dry weight basis; the seeds thereof;  
13 the resin extracted from any part of the plant; and every compound,  
14 manufacture, salt, derivative, mixture, or preparation of the plant,  
15 its seeds or resin. The term does not include the mature stalks of  
16 the plant, fiber produced from the stalks, oil or cake made from the  
17 seeds of the plant, any other compound, manufacture, salt,  
18 derivative, mixture, or preparation of the mature stalks (except the  
19 resin extracted therefrom), fiber, oil, or cake, or the sterilized  
20 seed of the plant which is incapable of germination.

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

24 ~~((x))~~(y) "Marijuana processor" means a person licensed by the  
25 state liquor and cannabis board to process marijuana into marijuana  
26 concentrates, useable marijuana, and marijuana-infused products,  
27 package and label marijuana concentrates, useable marijuana, and  
28 marijuana-infused products for sale in retail outlets, and sell  
29 marijuana concentrates, useable marijuana, and marijuana-infused  
30 products at wholesale to marijuana retailers.

31 ~~((y))~~(z) "Marijuana producer" means a person licensed by the  
32 state liquor and cannabis board to produce and sell marijuana at  
33 wholesale to marijuana processors and other marijuana producers.

34 ~~((z))~~(aa) "Marijuana products" means useable marijuana,  
35 marijuana concentrates, and marijuana-infused products as defined in  
36 this section.

37 ~~((aa))~~(bb) "Marijuana researcher" means a person licensed by  
38 the state liquor and cannabis board to produce, process, and possess  
39 marijuana for the purposes of conducting research on marijuana and  
40 marijuana-derived drug products.

1       ~~((bb))~~(cc) "Marijuana retailer" means a person licensed by the  
2 state liquor and cannabis board to sell marijuana concentrates,  
3 useable marijuana, and marijuana-infused products in a retail outlet.

4       ~~((ee))~~(dd) "Marijuana-infused products" means products that  
5 contain marijuana or marijuana extracts, are intended for human use,  
6 are derived from marijuana as defined in subsection ~~((v))~~(w) of  
7 this section, and have a THC concentration no greater than ten  
8 percent. The term "marijuana-infused products" does not include  
9 either useable marijuana or marijuana concentrates.

10       ~~((dd))~~(ee) "Narcotic drug" means any of the following, whether  
11 produced directly or indirectly by extraction from substances of  
12 vegetable origin, or independently by means of chemical synthesis, or  
13 by a combination of extraction and chemical synthesis:

14       (1) Opium, opium derivative, and any derivative of opium or opium  
15 derivative, including their salts, isomers, and salts of isomers,  
16 whenever the existence of the salts, isomers, and salts of isomers is  
17 possible within the specific chemical designation. The term does not  
18 include the isoquinoline alkaloids of opium.

19       (2) Synthetic opiate and any derivative of synthetic opiate,  
20 including their isomers, esters, ethers, salts, and salts of isomers,  
21 esters, and ethers, whenever the existence of the isomers, esters,  
22 ethers, and salts is possible within the specific chemical  
23 designation.

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

25       (4) Coca leaves, except coca leaves and extracts of coca leaves  
26 from which cocaine, ecgonine, and derivatives or ecgonine or their  
27 salts have been removed.

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

29       (6) Cocaine base.

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

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

34       ~~((ee))~~(ff) "Opiate" means any substance having an addiction-  
35 forming or addiction-sustaining liability similar to morphine or  
36 being capable of conversion into a drug having addiction-forming or  
37 addiction-sustaining liability. The term includes opium, substances  
38 derived from opium (opium derivatives), and synthetic opiates. The  
39 term does not include, unless specifically designated as controlled  
40 under RCW 69.50.201, the dextrorotatory isomer of 3-methoxy-n-

1 methylmorphinan and its salts (dextromethorphan). The term includes  
2 the racemic and levorotatory forms of dextromethorphan.

3 ~~((ff))~~(gg) "Opium poppy" means the plant of the species *Papaver*  
4 *somniferum* L., except its seeds.

5 ~~((gg))~~(hh) "Person" means individual, corporation, business  
6 trust, estate, trust, partnership, association, joint venture,  
7 government, governmental subdivision or agency, or any other legal or  
8 commercial entity.

9 ~~((hh))~~(ii) "Plant" has the meaning provided in RCW 69.51A.010.

10 ~~((ii))~~(jj) "Poppy straw" means all parts, except the seeds, of  
11 the opium poppy, after mowing.

12 ~~((jj))~~(kk) "Practitioner" means:

13 (1) A physician under chapter 18.71 RCW; a physician assistant  
14 under chapter 18.71A RCW; an osteopathic physician and surgeon under  
15 chapter 18.57 RCW; an osteopathic physician assistant under chapter  
16 18.57A RCW who is licensed under RCW 18.57A.020 subject to any  
17 limitations in RCW 18.57A.040; an optometrist licensed under chapter  
18 18.53 RCW who is certified by the optometry board under RCW 18.53.010  
19 subject to any limitations in RCW 18.53.010; a dentist under chapter  
20 18.32 RCW; a podiatric physician and surgeon under chapter 18.22 RCW;  
21 a veterinarian under chapter 18.92 RCW; a registered nurse, advanced  
22 registered nurse practitioner, or licensed practical nurse under  
23 chapter 18.79 RCW; a naturopathic physician under chapter 18.36A RCW  
24 who is licensed under RCW 18.36A.030 subject to any limitations in  
25 RCW 18.36A.040; a pharmacist under chapter 18.64 RCW or a scientific  
26 investigator under this chapter, licensed, registered or otherwise  
27 permitted insofar as is consistent with those licensing laws to  
28 distribute, dispense, conduct research with respect to or administer  
29 a controlled substance in the course of their professional practice  
30 or research in this state.

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

35 (3) A physician licensed to practice medicine and surgery, a  
36 physician licensed to practice osteopathic medicine and surgery, a  
37 dentist licensed to practice dentistry, a podiatric physician and  
38 surgeon licensed to practice podiatric medicine and surgery, a  
39 licensed physician assistant or a licensed osteopathic physician  
40 assistant specifically approved to prescribe controlled substances by

1 his or her state's medical quality assurance commission or equivalent  
2 and his or her supervising physician, an advanced registered nurse  
3 practitioner licensed to prescribe controlled substances, or a  
4 veterinarian licensed to practice veterinary medicine in any state of  
5 the United States.

6 ~~((kk))~~(ll) "Prescription" means an order for controlled  
7 substances issued by a practitioner duly authorized by law or rule in  
8 the state of Washington to prescribe controlled substances within the  
9 scope of his or her professional practice for a legitimate medical  
10 purpose.

11 ~~((ll))~~(mm) "Production" includes the manufacturing, planting,  
12 cultivating, growing, or harvesting of a controlled substance.

13 ~~((mm))~~(nn) "Qualifying patient" has the meaning provided in RCW  
14 69.51A.010.

15 ~~((nn))~~(oo) "Recognition card" has the meaning provided in RCW  
16 69.51A.010.

17 ~~((oo))~~(pp) "Retail outlet" means a location licensed by the  
18 state liquor and cannabis board for the retail sale of marijuana  
19 concentrates, useable marijuana, and marijuana-infused products.

20 ~~((pp))~~(qq) "Secretary" means the secretary of health or the  
21 secretary's designee.

22 ~~((qq))~~(rr) "State," unless the context otherwise requires,  
23 means a state of the United States, the District of Columbia, the  
24 Commonwealth of Puerto Rico, or a territory or insular possession  
25 subject to the jurisdiction of the United States.

26 ~~((rr))~~(ss) "THC concentration" means percent of delta-9  
27 tetrahydrocannabinol content per dry weight of any part of the plant  
28 *Cannabis*, or per volume or weight of marijuana product, or the  
29 combined percent of delta-9 tetrahydrocannabinol and  
30 tetrahydrocannabinolic acid in any part of the plant *Cannabis*  
31 regardless of moisture content.

32 ~~((ss))~~(tt) "Ultimate user" means an individual who lawfully  
33 possesses a controlled substance for the individual's own use or for  
34 the use of a member of the individual's household or for  
35 administering to an animal owned by the individual or by a member of  
36 the individual's household.

37 ~~((tt))~~(uu) "Useable marijuana" means dried marijuana flowers.  
38 The term "useable marijuana" does not include either marijuana-  
39 infused products or marijuana concentrates.

1       **Sec. 6.** RCW 69.50.366 and 2015 c 207 s 8 are each amended to  
2 read as follows:

3       The following acts, when performed by a validly licensed  
4 marijuana producer or employee of a validly licensed marijuana  
5 producer in compliance with rules adopted by the state liquor  
6 ~~((control))~~ and cannabis board to implement and enforce this chapter  
7 ~~((3, Laws of 2013))~~, do not constitute criminal or civil offenses  
8 under Washington state law:

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

12       (2) Delivery, distribution, and sale of marijuana to a marijuana  
13 processor or another marijuana producer validly licensed under this  
14 chapter ~~((3, Laws of 2013))~~; ~~((and))~~

15       (3) Delivery, distribution, and sale of immature plants or clones  
16 and marijuana seeds to a licensed marijuana researcher, and to  
17 receive or purchase immature plants or clones and seeds from a  
18 licensed marijuana researcher; and

19       (4) Delivery, distribution, and sale of marijuana or useable  
20 marijuana to a federally recognized Indian tribe as permitted under  
21 an agreement between the state and the tribe entered into under RCW  
22 43.06.490.

23       **Sec. 7.** RCW 69.50.382 and 2015 2nd sp.s. c 4 s 501 are each  
24 amended to read as follows:

25       (1) A licensed marijuana producer, marijuana processor, marijuana  
26 researcher, or marijuana retailer, or their employees, in accordance  
27 with the requirements of this chapter and the administrative rules  
28 adopted thereunder, may use the services of a common carrier subject  
29 to regulation under chapters 81.28 and 81.29 RCW and licensed in  
30 compliance with the regulations established under RCW 69.50.385, to  
31 physically transport or deliver, as authorized under this chapter,  
32 marijuana, useable marijuana, marijuana concentrates, immature plants  
33 or clones, marijuana seeds, and marijuana-infused products between  
34 licensed marijuana businesses located within the state.

35       (2) An employee of a common carrier engaged in marijuana-related  
36 transportation or delivery services authorized under subsection (1)  
37 of this section is prohibited from carrying or using a firearm during  
38 the course of providing such services, unless:

1 (a) Pursuant to RCW 69.50.385, the state liquor and cannabis  
2 board explicitly authorizes the carrying or use of firearms by such  
3 employee while engaged in the transportation or delivery services;

4 (b) The employee has an armed private security guard license  
5 issued pursuant to RCW 18.170.040; and

6 (c) The employee is in full compliance with the regulations  
7 established by the state liquor and cannabis board under RCW  
8 69.50.385.

9 (3) A common carrier licensed under RCW 69.50.385 may, for the  
10 purpose of transporting and delivering marijuana, useable marijuana,  
11 marijuana concentrates, and marijuana-infused products, utilize  
12 Washington state ferry routes for such transportation and delivery.

13 (4) The possession of marijuana, useable marijuana, marijuana  
14 concentrates, and marijuana-infused products being physically  
15 transported or delivered within the state, in amounts not exceeding  
16 those that may be established under RCW 69.50.385(3), by a licensed  
17 employee of a common carrier when performing the duties authorized  
18 under, and in accordance with, this section and RCW 69.50.385, is not  
19 a violation of this section, this chapter, or any other provision of  
20 Washington state law.

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

23 (1) Qualifying patients or designated providers may form a  
24 cooperative and share responsibility for acquiring and supplying the  
25 resources needed to produce and process marijuana only for the  
26 medical use of members of the cooperative. No more than four  
27 qualifying patients or designated providers may become members of a  
28 cooperative under this section and all members must hold valid  
29 recognition cards. All members of the cooperative must be at least  
30 twenty-one years old. The designated provider of a qualifying patient  
31 who is under twenty-one years old may be a member of a cooperative on  
32 the qualifying patient's behalf. All plants grown in the cooperative  
33 must be (~~purchased or cloned~~) from an immature plant or clone  
34 purchased from a licensed marijuana producer as defined in RCW  
35 69.50.101. Cooperatives may also purchase marijuana seeds from a  
36 licensed marijuana producer.

37 (2) Qualifying patients and designated providers who wish to form  
38 a cooperative must register the location with the state liquor and  
39 cannabis board and this is the only location where cooperative

1 members may grow or process marijuana. This registration must include  
2 the names of all participating members and copies of each  
3 participant's recognition card. Only qualifying patients or  
4 designated providers registered with the state liquor and cannabis  
5 board in association with the location may participate in growing or  
6 receive useable marijuana or marijuana-infused products grown at that  
7 location.

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

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

10 (b) Within the smaller of either:

11 (i) One thousand feet of the perimeter of the grounds of any  
12 elementary or secondary school, playground, recreation center or  
13 facility, child care center, public park, public transit center,  
14 library, or any game arcade that admission to which is not restricted  
15 to persons aged twenty-one years or older; or

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

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

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

23 (5) If a qualifying patient or designated provider no longer  
24 participates in growing at the location, he or she must notify the  
25 state liquor and cannabis board within fifteen days of the date the  
26 qualifying patient or designated provider ceases participation. The  
27 state liquor and cannabis board must remove his or her name from  
28 connection to the cooperative. Additional qualifying patients or  
29 designated providers may not join the cooperative until sixty days  
30 have passed since the date on which the last qualifying patient or  
31 designated provider notifies the state liquor and cannabis board that  
32 he or she no longer participates in that cooperative.

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

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

- 1 (b) May only participate in one cooperative;
- 2 (c) May only grow plants in the cooperative and if he or she  
3 grows plants in the cooperative may not grow plants elsewhere;
- 4 (d) Must provide assistance in growing plants. A monetary  
5 contribution or donation is not to be considered assistance under  
6 this section. Participants must provide nonmonetary resources and  
7 labor in order to participate; and
- 8 (e) May not sell, donate, or otherwise provide marijuana,  
9 marijuana concentrates, useable marijuana, or marijuana-infused  
10 products to a person who is not participating under this section.
- 11 (7) The location of the cooperative must be the domicile of one  
12 of the participants. Only one cooperative may be located per property  
13 tax parcel. A copy of each participant's recognition card must be  
14 kept at the location at all times.
- 15 (8) The state liquor and cannabis board may adopt rules to  
16 implement this section including:
- 17 (a) Any security requirements necessary to ensure the safety of  
18 the cooperative and to reduce the risk of diversion from the  
19 cooperative;
- 20 (b) A seed to sale traceability model that is similar to the seed  
21 to sale traceability model used by licensees that will allow the  
22 state liquor and cannabis board to track all marijuana grown in a  
23 cooperative.
- 24 (9) The state liquor and cannabis board or law enforcement may  
25 inspect a cooperative registered under this section to ensure members  
26 are in compliance with this section. The state liquor and cannabis  
27 board must adopt rules on reasonable inspection hours and reasons for  
28 inspections.

29 NEW SECTION. **Sec. 9.** A new section is added to chapter 15.120  
30 RCW to read as follows:

31 The department and the state liquor and cannabis board must  
32 collaboratively study the feasibility and practicality of  
33 implementing a legislatively authorized regulatory framework allowing  
34 industrial hemp produced in accordance with the requirements of this  
35 chapter to be sold or transferred to marijuana processors, licensed  
36 under chapter 69.50 RCW, for processing into industrial hemp or  
37 marijuana products to be sold at retail for human consumption.



1        NEW SECTION.    **Sec. 10.**    A new section is added to chapter 15.120  
2    RCW to read as follows:

3        The department is granted the rule-making authority necessary to  
4    implement and enforce the provisions of this chapter. This includes  
5    the authority to impose monetary penalties, license suspension or  
6    forfeiture, or other sanctions for violations of statutory and  
7    regulatory requirements. The rules adopted by the department must be  
8    consistent with section 7606 of the federal agricultural act of 2014  
9    (128 Stat. 649, 912; 7 U.S.C. Sec. 5940).

10       NEW SECTION.    **Sec. 11.**    A new section is added to chapter 69.51A  
11    RCW to read as follows:

12       Qualifying patients and designated providers, who hold a  
13    recognition card and have been entered into the medical marijuana  
14    authorization database, may purchase immature plants or clones from a  
15    licensed marijuana producer as defined in RCW 69.50.101. Qualifying  
16    patients and designated providers may also purchase marijuana seeds  
17    from a licensed marijuana producer.

18       NEW SECTION.    **Sec. 12.**    The legislature finds that protecting the  
19    state's children, youth, and young adults under the legal age to  
20    purchase and consume marijuana, by establishing limited restrictions  
21    on the advertising of marijuana and marijuana products, is necessary  
22    to assist the state's efforts to discourage and prevent underage  
23    consumption and the potential risks associated with underage  
24    consumption. The legislature finds that these restrictions assist the  
25    state in maintaining a strong and effective regulatory and  
26    enforcement system as specified by the federal government. The  
27    legislature finds this act leaves ample opportunities for licensed  
28    marijuana businesses to market their products to those who are of  
29    legal age to purchase them, without infringing on the free speech  
30    rights of business owners. Finally, the legislature finds that the  
31    state has a substantial and compelling interest in enacting this act  
32    aimed at protecting Washington's children, youth, and young adults.

33       **Sec. 13.**    RCW 69.50.357 and 2016 c 171 s 1 are each amended to  
34    read as follows:

35       (1) Retail outlets may not sell products or services other than  
36    marijuana concentrates, useable marijuana, marijuana-infused  
37    products, or paraphernalia intended for the storage or use of

1 marijuana concentrates, useable marijuana, or marijuana-infused  
2 products.

3 (2) Licensed marijuana retailers may not employ persons under  
4 twenty-one years of age or allow persons under twenty-one years of  
5 age to enter or remain on the premises of a retail outlet. However,  
6 qualifying patients between eighteen and twenty-one years of age with  
7 a recognition card may enter and remain on the premises of a retail  
8 outlet holding a medical marijuana endorsement and may purchase  
9 products for their personal medical use. Qualifying patients who are  
10 under the age of eighteen with a recognition card and who accompany  
11 their designated providers may enter and remain on the premises of a  
12 retail outlet holding a medical marijuana endorsement, but may not  
13 purchase products for their personal medical use.

14 (3)(a) Licensed marijuana retailers must ensure that all  
15 employees are trained on the rules adopted to implement this chapter,  
16 identification of persons under the age of twenty-one, and other  
17 requirements adopted by the state liquor and cannabis board to ensure  
18 that persons under the age of twenty-one are not permitted to enter  
19 or remain on the premises of a retail outlet.

20 (b) Licensed marijuana retailers with a medical marijuana  
21 endorsement must ensure that all employees are trained on the  
22 subjects required by (a) of this subsection as well as identification  
23 of authorizations and recognition cards. Employees must also be  
24 trained to permit qualifying patients who hold recognition cards and  
25 are between the ages of eighteen and twenty-one to enter the premises  
26 and purchase marijuana for their personal medical use and to permit  
27 qualifying patients who are under the age of eighteen with a  
28 recognition card to enter the premises if accompanied by their  
29 designated providers.

30 ~~(4) ((Licensed marijuana retailers may not display any signage  
31 outside of the licensed premises, other than two signs identifying  
32 the retail outlet by the licensee's business or trade name. Each sign  
33 must be no larger than one thousand six hundred square inches, be  
34 permanently affixed to a building or other structure, and be posted  
35 not less than one thousand feet from any elementary school, secondary  
36 school, or playground.~~

37 ~~(5))~~ Except for the purposes of disposal as authorized by the  
38 state liquor and cannabis board, no licensed marijuana retailer or  
39 employee of a retail outlet may open or consume, or allow to be

1 opened or consumed, any marijuana concentrates, useable marijuana, or  
2 marijuana-infused product on the outlet premises.

3 ~~((6))~~(5) The state liquor and cannabis board must fine a  
4 licensee one thousand dollars for each violation of any subsection of  
5 this section. Fines collected under this section must be deposited  
6 into the dedicated marijuana account created under RCW 69.50.530.

7 **Sec. 14.** RCW 69.50.369 and 2015 2nd sp.s. c 4 s 204 are each  
8 amended to read as follows:

9 (1) No licensed marijuana producer, processor, researcher, or  
10 retailer may place or maintain, or cause to be placed or maintained,  
11 ~~((a))~~any sign or other advertisement ~~((e))~~for a  
12 marijuana~~((r))~~business or marijuana product, including useable  
13 marijuana, marijuana concentrates, or ~~((a))~~ marijuana-infused  
14 product, in any form or through any medium whatsoever~~((+~~

15 ~~(a))~~within one thousand feet of the perimeter of a school  
16 grounds, playground, recreation center or facility, child care  
17 center, public park, or library, or any game arcade admission to  
18 which is not restricted to persons aged twenty-one years or older~~((+~~

19 ~~(b) On or in a public transit vehicle or public transit shelter;~~  
20 ~~or~~

21 ~~(c) On or in a publicly owned or operated property)).~~

22 (2) Except for the use of billboards as authorized under this  
23 section, licensed marijuana retailers may not display any signage  
24 outside of the licensed premises, other than two signs identifying  
25 the retail outlet by the licensee's business or trade name, stating  
26 the location of the business, and identifying the nature of the  
27 business. Each sign must be no larger than one thousand six hundred  
28 square inches and be permanently affixed to a building or other  
29 structure. The location and content of the retail marijuana signs  
30 authorized under this subsection are subject to all other  
31 requirements and restrictions established in this section for indoor  
32 signs, outdoor signs, and other marijuana-related advertising  
33 methods.

34 (3) A marijuana licensee may not utilize transit advertisements  
35 for the purpose of advertising its business or product line. "Transit  
36 advertisements" means advertising on or within private or public  
37 vehicles and all advertisements placed at, on, or within any bus  
38 stop, taxi stand, transportation waiting area, train station,  
39 airport, or any similar transit-related location.

1       (4) A marijuana licensee may not engage in advertising or other  
2 marketing practice that specifically targets persons residing outside  
3 of the state of Washington.

4       (5) All signs, billboards, or other print advertising for  
5 marijuana businesses or marijuana products must contain text stating  
6 that marijuana products may be purchased or possessed only by persons  
7 twenty-one years of age or older.

8       (6) A marijuana licensee may not:

9       (a) Take any action, directly or indirectly, to target youth in  
10 the advertising, promotion, or marketing of marijuana and marijuana  
11 products, or take any action the primary purpose of which is to  
12 initiate, maintain, or increase the incidence of youth use of  
13 marijuana or marijuana products;

14       (b) Use objects such as toys or inflatables, movie or cartoon  
15 characters, or any other depiction or image likely to be appealing to  
16 youth, where such objects, images, or depictions indicate an intent  
17 to cause youth to become interested in the purchase or consumption of  
18 marijuana products; or

19       (c) Use or employ a commercial mascot outside of, and in  
20 proximity to, a licensed marijuana business. A "commercial mascot"  
21 means live human being, animal, or mechanical device used for  
22 attracting the attention of motorists and passersby so as to make  
23 them aware of marijuana products or the presence of a marijuana  
24 business. Commercial mascots include, but are not limited to,  
25 inflatable tube displays, persons in costume, or wearing, holding, or  
26 spinning a sign with a marijuana-related commercial message or image,  
27 where the intent is to draw attention to a marijuana business or its  
28 products.

29       (7) A marijuana licensee that engages in outdoor advertising is  
30 subject to the advertising requirements and restrictions set forth in  
31 this subsection (7) and elsewhere in this chapter.

32       (a) All outdoor advertising signs, including billboards, are  
33 limited to text that identifies the retail outlet by the licensee's  
34 business or trade name, states the location of the business, and  
35 identifies the type or nature of the business. Such signs may not  
36 contain any depictions of marijuana plants, marijuana products, or  
37 images that might be appealing to children. The state liquor and  
38 cannabis board is granted rule-making authority to regulate the text  
39 and images that are permissible on outdoor advertising. Such rule

1 making must be consistent with other administrative rules generally  
2 applicable to the advertising of marijuana businesses and products.

3 (b) Outdoor advertising is prohibited:

4 (i) On signs and placards in arenas, stadiums, shopping malls,  
5 fairs that receive state allocations, farmers markets, and video game  
6 arcades, whether any of the foregoing are open air or enclosed, but  
7 not including any such sign or placard located in an adult only  
8 facility; and

9 (ii) Billboards that are visible from any street, road, highway,  
10 right-of-way, or public parking area are prohibited, except as  
11 provided in (c) of this subsection.

12 (c) Licensed retail outlets may use a billboard or outdoor sign  
13 solely for the purpose of identifying the name of the business, the  
14 nature of the business, and providing the public with directional  
15 information to the licensed retail outlet. Billboard advertising is  
16 subject to the same requirements and restrictions as set forth in (a)  
17 of this subsection.

18 (d) Advertising signs within the premises of a retail marijuana  
19 business outlet that are visible to the public from outside the  
20 premises must meet the signage regulations and requirements  
21 applicable to outdoor signs as set forth in this section.

22 (e) The restrictions and regulations applicable to outdoor  
23 advertising under this section are not applicable to:

24 (i) An advertisement inside a licensed retail establishment that  
25 sells marijuana products that is not placed on the inside surface of  
26 a window facing outward; or

27 (ii) An outdoor advertisement at the site of an event to be held  
28 at an adult only facility that is placed at such site during the  
29 period the facility or enclosed area constitutes an adult only  
30 facility, but in no event more than fourteen days before the event,  
31 and that does not advertise any marijuana product other than by using  
32 a brand name to identify the event.

33 (8) Merchandising within a retail outlet is not advertising for  
34 the purposes of this section.

35 ((+3))(9) This section does not apply to a noncommercial  
36 message.

37 ((+4))(10)(a) The state liquor and cannabis board must:

38 (i) Adopt rules implementing this section and specifically  
39 including provisions regulating the billboards and outdoor signs  
40 authorized under this section; and

1       (ii) Fine a licensee one thousand dollars for each violation of  
2       (~~subsection (1) of~~) this section until the state liquor and  
3       cannabis board adopts rules prescribing penalties for violations of  
4       this section. The rules must establish escalating penalties including  
5       finest and up to suspension or revocation of a marijuana license for  
6       subsequent violations.

7       (b) Fines collected under this subsection must be deposited into  
8       the dedicated marijuana account created under RCW 69.50.530.

9       (11) A city, town, or county may adopt rules of outdoor  
10       advertising by licensed marijuana retailers that are more restrictive  
11       than the advertising restrictions imposed under this chapter.  
12       Enforcement of restrictions to advertising by a city, town, or county  
13       is the responsibility of the city, town, or county.

14       **Sec. 15.** RCW 69.50.4013 and 2015 2nd sp.s. c 4 s 503 are each  
15       amended to read as follows:

16       (1) It is unlawful for any person to possess a controlled  
17       substance unless the substance was obtained directly from, or  
18       pursuant to, a valid prescription or order of a practitioner while  
19       acting in the course of his or her professional practice, or except  
20       as otherwise authorized by this chapter.

21       (2) Except as provided in RCW 69.50.4014, any person who violates  
22       this section is guilty of a class C felony punishable under chapter  
23       9A.20 RCW.

24       (3)(a) The possession, by a person twenty-one years of age or  
25       older, of useable marijuana, marijuana concentrates, or marijuana-  
26       infused products in amounts that do not exceed those set forth in RCW  
27       69.50.360(3) is not a violation of this section, this chapter, or any  
28       other provision of Washington state law.

29       (b) The possession of marijuana, useable marijuana, marijuana  
30       concentrates, and marijuana-infused products being physically  
31       transported or delivered within the state, in amounts not exceeding  
32       those that may be established under RCW 69.50.385(3), by a licensed  
33       employee of a common carrier when performing the duties authorized in  
34       accordance with RCW 69.50.382 and 69.50.385, is not a violation of  
35       this section, this chapter, or any other provision of Washington  
36       state law.

37       (4)(a) The delivery by a person twenty-one years of age or older  
38       to one or more persons twenty-one years of age or older, during a  
39       single twenty-four hour period, for noncommercial purposes and not

1 conditioned upon or done in connection with the provision or receipt  
2 of financial consideration, of any of the following marijuana  
3 products, is not a violation of this section, this chapter, or any  
4 other provisions of Washington state law:

5 (i) One-half ounce of useable marijuana;

6 (ii) Eight ounces of marijuana-infused product in solid form;

7 (iii) Thirty-six ounces of marijuana-infused product in liquid  
8 form; or

9 (iv) Three and one-half grams of marijuana concentrates.

10 (b) The act of delivering marijuana or a marijuana product as  
11 authorized under this subsection (4) must meet one of the following  
12 requirements:

13 (i) The delivery must be done in a location outside of the view  
14 of general public and in a nonpublic place; or

15 (ii) The marijuana or marijuana product must be in the original  
16 packaging as purchased from the marijuana retailer.

17 (5) No person under twenty-one years of age may possess,  
18 manufacture, sell, or distribute marijuana, marijuana-infused  
19 products, or marijuana concentrates, regardless of THC concentration.  
20 This does not include qualifying patients with a valid authorization.

21 ~~((+5))~~(6) The possession by a qualifying patient or designated  
22 provider of marijuana concentrates, useable marijuana, marijuana-  
23 infused products, or plants in accordance with chapter 69.51A RCW is  
24 not a violation of this section, this chapter, or any other provision  
25 of Washington state law.

26 NEW SECTION. Sec. 16. A new section is added to chapter 69.50  
27 RCW to read as follows:

28 (1) A licensed marijuana business may enter into a licensing  
29 agreement, or consulting contract, with any individual, partnership,  
30 employee cooperative, association, nonprofit corporation, or  
31 corporation, for:

32 (a) Any goods or services that are registered as a trademark  
33 under federal law or under chapter 19.77 RCW;

34 (b) Any unregistered trademark, trade name, or trade dress; or

35 (c) Any trade secret, technology, or proprietary information used  
36 to manufacture a cannabis product or used to provide a service  
37 related to a marijuana business.

1 (2) All agreements or contracts entered into by a licensed  
2 marijuana business, as authorized under this section, must be  
3 disclosed to the state liquor and cannabis board.

4 **Sec. 17.** RCW 42.56.270 and 2016 sp.s. c 9 s 3, 2016 sp.s. c 8 s  
5 1, and 2016 c 178 s 1 are each reenacted and amended to read as  
6 follows:

7 The following financial, commercial, and proprietary information  
8 is exempt from disclosure under this chapter:

9 (1) Valuable formulae, designs, drawings, computer source code or  
10 object code, and research data obtained by any agency within five  
11 years of the request for disclosure when disclosure would produce  
12 private gain and public loss;

13 (2) Financial information supplied by or on behalf of a person,  
14 firm, or corporation for the purpose of qualifying to submit a bid or  
15 proposal for (a) a ferry system construction or repair contract as  
16 required by RCW 47.60.680 through 47.60.750 or (b) highway  
17 construction or improvement as required by RCW 47.28.070;

18 (3) Financial and commercial information and records supplied by  
19 private persons pertaining to export services provided under chapters  
20 43.163 and 53.31 RCW, and by persons pertaining to export projects  
21 under RCW 43.23.035;

22 (4) Financial and commercial information and records supplied by  
23 businesses or individuals during application for loans or program  
24 services provided by chapters 43.325, 43.163, 43.160, 43.330, and  
25 43.168 RCW, or during application for economic development loans or  
26 program services provided by any local agency;

27 (5) Financial information, business plans, examination reports,  
28 and any information produced or obtained in evaluating or examining a  
29 business and industrial development corporation organized or seeking  
30 certification under chapter 31.24 RCW;

31 (6) Financial and commercial information supplied to the state  
32 investment board by any person when the information relates to the  
33 investment of public trust or retirement funds and when disclosure  
34 would result in loss to such funds or in private loss to the  
35 providers of this information;

36 (7) Financial and valuable trade information under RCW 51.36.120;

37 (8) Financial, commercial, operations, and technical and research  
38 information and data submitted to or obtained by the clean Washington



1 center in applications for, or delivery of, program services under  
2 chapter 70.95H RCW;

3 (9) Financial and commercial information requested by the public  
4 stadium authority from any person or organization that leases or uses  
5 the stadium and exhibition center as defined in RCW 36.102.010;

6 (10)(a) Financial information, including but not limited to  
7 account numbers and values, and other identification numbers supplied  
8 by or on behalf of a person, firm, corporation, limited liability  
9 company, partnership, or other entity related to an application for a  
10 horse racing license submitted pursuant to RCW 67.16.260(1)(b),  
11 marijuana producer, processor, or retailer license, liquor license,  
12 gambling license, or lottery retail license;

13 (b) Internal control documents, independent auditors' reports and  
14 financial statements, and supporting documents: (i) Of house-banked  
15 social card game licensees required by the gambling commission  
16 pursuant to rules adopted under chapter 9.46 RCW; or (ii) submitted  
17 by tribes with an approved tribal/state compact for class III gaming;

18 (11) Proprietary data, trade secrets, or other information that  
19 relates to: (a) A vendor's unique methods of conducting business; (b)  
20 data unique to the product or services of the vendor; or (c)  
21 determining prices or rates to be charged for services, submitted by  
22 any vendor to the department of social and health services for  
23 purposes of the development, acquisition, or implementation of state  
24 purchased health care as defined in RCW 41.05.011;

25 (12)(a) When supplied to and in the records of the department of  
26 commerce:

27 (i) Financial and proprietary information collected from any  
28 person and provided to the department of commerce pursuant to RCW  
29 43.330.050(8); and

30 (ii) Financial or proprietary information collected from any  
31 person and provided to the department of commerce or the office of  
32 the governor in connection with the siting, recruitment, expansion,  
33 retention, or relocation of that person's business and until a siting  
34 decision is made, identifying information of any person supplying  
35 information under this subsection and the locations being considered  
36 for siting, relocation, or expansion of a business;

37 (b) When developed by the department of commerce based on  
38 information as described in (a)(i) of this subsection, any work  
39 product is not exempt from disclosure;

1 (c) For the purposes of this subsection, "siting decision" means  
2 the decision to acquire or not to acquire a site;

3 (d) If there is no written contact for a period of sixty days to  
4 the department of commerce from a person connected with siting,  
5 recruitment, expansion, retention, or relocation of that person's  
6 business, information described in (a)(ii) of this subsection will be  
7 available to the public under this chapter;

8 (13) Financial and proprietary information submitted to or  
9 obtained by the department of ecology or the authority created under  
10 chapter 70.95N RCW to implement chapter 70.95N RCW;

11 (14) Financial, commercial, operations, and technical and  
12 research information and data submitted to or obtained by the life  
13 sciences discovery fund authority in applications for, or delivery  
14 of, grants under chapter 43.350 RCW, to the extent that such  
15 information, if revealed, would reasonably be expected to result in  
16 private loss to the providers of this information;

17 (15) Financial and commercial information provided as evidence to  
18 the department of licensing as required by RCW 19.112.110 or  
19 19.112.120, except information disclosed in aggregate form that does  
20 not permit the identification of information related to individual  
21 fuel licensees;

22 (16) Any production records, mineral assessments, and trade  
23 secrets submitted by a permit holder, mine operator, or landowner to  
24 the department of natural resources under RCW 78.44.085;

25 (17)(a) Farm plans developed by conservation districts, unless  
26 permission to release the farm plan is granted by the landowner or  
27 operator who requested the plan, or the farm plan is used for the  
28 application or issuance of a permit;

29 (b) Farm plans developed under chapter 90.48 RCW and not under  
30 the federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject  
31 to RCW 42.56.610 and 90.64.190;

32 (18) Financial, commercial, operations, and technical and  
33 research information and data submitted to or obtained by a health  
34 sciences and services authority in applications for, or delivery of,  
35 grants under RCW 35.104.010 through 35.104.060, to the extent that  
36 such information, if revealed, would reasonably be expected to result  
37 in private loss to providers of this information;

38 (19) Information gathered under chapter 19.85 RCW or RCW  
39 34.05.328 that can be identified to a particular business;

1 (20) Financial and commercial information submitted to or  
2 obtained by the University of Washington, other than information the  
3 university is required to disclose under RCW 28B.20.150, when the  
4 information relates to investments in private funds, to the extent  
5 that such information, if revealed, would reasonably be expected to  
6 result in loss to the University of Washington consolidated endowment  
7 fund or to result in private loss to the providers of this  
8 information;

9 (21) Market share data submitted by a manufacturer under RCW  
10 70.95N.190(4);

11 (22) Financial information supplied to the department of  
12 financial institutions or to a portal under RCW 21.20.883, when filed  
13 by or on behalf of an issuer of securities for the purpose of  
14 obtaining the exemption from state securities registration for small  
15 securities offerings provided under RCW 21.20.880 or when filed by or  
16 on behalf of an investor for the purpose of purchasing such  
17 securities;

18 (23) Unaggregated or individual notices of a transfer of crude  
19 oil that is financial, proprietary, or commercial information,  
20 submitted to the department of ecology pursuant to RCW  
21 90.56.565(1)(a), and that is in the possession of the department of  
22 ecology or any entity with which the department of ecology has shared  
23 the notice pursuant to RCW 90.56.565;

24 (24) Financial institution and retirement account information,  
25 and building security plan information, supplied to the liquor and  
26 cannabis board pursuant to RCW 69.50.325, 69.50.331, 69.50.342, and  
27 69.50.345, when filed by or on behalf of a licensee or prospective  
28 licensee for the purpose of obtaining, maintaining, or renewing a  
29 license to produce, process, transport, or sell marijuana as allowed  
30 under chapter 69.50 RCW; (~~and~~))

31 (25) Marijuana transport information, vehicle and driver  
32 identification data, and account numbers or unique access identifiers  
33 issued to private entities for traceability system access, submitted  
34 by an individual or business to the liquor and cannabis board under  
35 the requirements of RCW 69.50.325, 69.50.331, 69.50.342, and  
36 69.50.345 for the purpose of marijuana product traceability.  
37 Disclosure to local, state, and federal officials is not considered  
38 public disclosure for purposes of this section; (~~and~~))

39 (26) Financial and commercial information submitted to or  
40 obtained by the retirement board of any city that is responsible for

1 the management of an employees' retirement system pursuant to the  
2 authority of chapter 35.39 RCW, when the information relates to  
3 investments in private funds, to the extent that such information, if  
4 revealed, would reasonably be expected to result in loss to the  
5 retirement fund or to result in private loss to the providers of this  
6 information except that (a) the names and commitment amounts of the  
7 private funds in which retirement funds are invested and (b) the  
8 aggregate quarterly performance results for a retirement fund's  
9 portfolio of investments in such funds are subject to disclosure;  
10 ((and))

11 (27) Proprietary financial, commercial, operations, and technical  
12 and research information and data submitted to or obtained by the  
13 liquor and cannabis board in applications for marijuana research  
14 licenses under RCW 69.50.372, or in reports submitted by marijuana  
15 research licensees in accordance with rules adopted by the liquor and  
16 cannabis board under RCW 69.50.372; and

17 (28) Trade secrets, technology, proprietary information, and  
18 financial considerations contained in any agreements or contracts,  
19 entered into by a licensed marijuana business under section 16 of  
20 this act, which may be submitted to or obtained by the state liquor  
21 and cannabis board.

22 NEW SECTION. Sec. 18. The definitions in this section apply  
23 throughout this chapter unless the context clearly requires  
24 otherwise.

25 (1) "Board" means the state liquor and cannabis board.

26 (2) "Licensee facilities" means any premises regulated by the  
27 board for producing, processing, or retailing marijuana or marijuana  
28 products.

29 (3) "Marijuana" has the meaning provided in RCW 69.50.101.

30 (4) "Marijuana processor" has the meaning provided in RCW  
31 69.50.101.

32 (5) "Marijuana producer" has the meaning provided in RCW  
33 69.50.101.

34 (6) "Marijuana products" has the meaning provided in RCW  
35 69.50.101.

36 (7) "Marijuana retailer" has the meaning provided in RCW  
37 69.50.101.

1 (8) "Person" means any natural person, firm, partnership,  
2 association, private or public corporation, governmental entity, or  
3 other business entity.

4 NEW SECTION. **Sec. 19.** (1) The department may adopt rules  
5 establishing:

6 (a) Standards for marijuana and marijuana products produced and  
7 processed in a manner consistent with, to the extent practicable, 7  
8 C.F.R. Part 205;

9 (b) A self-sustaining program for certifying marijuana producers  
10 and marijuana processors as meeting the standards established under  
11 (a) of this subsection; and

12 (c) Other rules as necessary for administration of this chapter.

13 (2) To the extent practicable, the program must be consistent  
14 with the program established by the director under chapter 15.86 RCW.

15 (3) The rules must include a fee schedule that will provide for  
16 the recovery of the full cost of the program including, but not  
17 limited to, application processing, inspections, sampling and  
18 testing, notifications, public awareness programs, and enforcement.

19 NEW SECTION. **Sec. 20.** (1) No marijuana or marijuana product may  
20 be labeled, sold, or represented as produced or processed under the  
21 standards established under this chapter unless produced or processed  
22 by a person certified by the department under the program established  
23 under this chapter.

24 (2) No person may represent, sell, or offer for sale any  
25 marijuana or marijuana products as produced or processed under  
26 standards adopted under this chapter if the person knows, or has  
27 reason to know, that the marijuana or marijuana product has not been  
28 produced or processed in conformance with the standards established  
29 under this chapter.

30 (3) No person may represent, sell, or offer for sale any  
31 marijuana or marijuana products as "organic products" as that term  
32 has meaning under chapter 15.86 RCW.

33 NEW SECTION. **Sec. 21.** (1) The department may inspect licensee  
34 facilities to verify compliance with this chapter and rules adopted  
35 under it.

36 (2) The department may deny, suspend, or revoke a certification  
37 provided for in this chapter if the department determines that an

1 applicant or certified person has violated this chapter or rules  
2 adopted under it.

3 (3) The department may impose on and collect from any person who  
4 has violated this chapter or rules adopted under it a civil fine not  
5 exceeding the total of:

6 (a) The state's estimated costs of investigating and taking  
7 appropriate administrative and enforcement actions for the violation;  
8 and

9 (b) One thousand dollars.

10 (4) The board may take enforcement actions against a marijuana  
11 producer, marijuana processor, or marijuana retailer license issued  
12 by the board, including suspension or revocation of the license, when  
13 a licensee continues to violate this chapter after revocation of its  
14 certification or, if uncertified, receiving written notice from the  
15 department of certification requirements.

16 (5) The provisions of this chapter are cumulative and  
17 nonexclusive and do not affect any other remedy at law.

18 NEW SECTION. **Sec. 22.** Information about marijuana producers,  
19 marijuana processors, and marijuana retailers otherwise exempt from  
20 public inspection and copying under chapter 42.56 RCW is also exempt  
21 from public inspection and copying if submitted to or used by the  
22 department.

23 NEW SECTION. **Sec. 23.** All fees collected under this chapter  
24 must be deposited in an account within the agricultural local fund.  
25 The revenue from the fees must be used solely for carrying out the  
26 provisions of this chapter, and no appropriation is required for  
27 disbursement from the fund.

28 NEW SECTION. **Sec. 24.** (1) The state liquor and cannabis board  
29 must conduct a study of regulatory options for the legalization of  
30 marijuana plant possession and cultivation by recreational marijuana  
31 users. In conducting the study, the state liquor and cannabis board  
32 must consider the federal guidelines provided by the Cole memorandum,  
33 issued by the United States department of justice on August 29, 2013,  
34 which allows individual states to implement marijuana legalization  
35 policies, provided such states enact strong and effective regulatory  
36 and enforcement systems that address public safety, public health,  
37 and law enforcement concerns as outlined in the memorandum.

1 (2) Not later than December 1, 2017, the state liquor and  
2 cannabis board must provide the appropriate committees of the  
3 legislature written findings and recommendations regarding the  
4 adoption and implementation of a regulatory and enforcement system  
5 for the legalization of marijuana plant possession and cultivation by  
6 recreational marijuana users, in light of the guidelines set forth in  
7 the federal Cole memorandum.

8 (3) The study, findings, and recommendations required under this  
9 section must be done through the use of the existing resources of the  
10 state liquor and cannabis board.

11 NEW SECTION. **Sec. 25.** This act applies prospectively only and  
12 not retroactively. It applies only to causes of action that arise (if  
13 change is substantive) or that are commenced (if change is  
14 procedural) on or after the effective date of this section.

15 NEW SECTION. **Sec. 26.** If any provision of this act or its  
16 application to any person or circumstance is held invalid, the  
17 remainder of the act or the application of the provision to other  
18 persons or circumstances is not affected.

19 NEW SECTION. **Sec. 27.** Sections 18 through 23 of this act  
20 constitute a new chapter in Title 15 RCW.

Passed by the Senate April 20, 2017.  
Passed by the House April 20, 2017.  
Approved by the Governor May 16, 2017.  
Filed in Office of Secretary of State May 16, 2017.

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