H-1477.1

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**HOUSE BILL 1963**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**State of Washington 66th Legislature 2019 Regular Session**

**By** Representative MacEwen

AN ACT Relating to financial arrangements regarding licensed marijuana businesses; amending RCW 69.50.395; and adding new sections to chapter 69.50 RCW.

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

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

An employee of a licensed marijuana business whose employment compensation includes an annual salary, hourly wage, or other base pay, in combination with a commission component, is not considered an applicant, owner, or true party of interest of the licensee solely because of the amount or value of the commission paid to the employee or the fact that the employment agreement includes commission-based compensation. There is no limitation on the amount or value of commission, whether determined in relation to the licensed business or entity's gross or net profits or otherwise, that an employee of a licensed marijuana business may receive under the terms of an employment agreement. Nothing in this section authorizes an employee to own a licensed marijuana business or entity unless the employee meets the application requirements under RCW 69.50.331 and this chapter.

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

(1) A person who is a financier of a licensed marijuana business but who does not have an ownership interest in the licensed business may, as determined by the liquor and cannabis board:

(a) Be subject to a financial investigation to determine the source of the money provided to or to be provided to the licensee; and

(b) Be subject to a criminal history record information check.

(2) A spouse of a financier identified in subsection (1) of this section is not subject to either a financial investigation or a criminal history record information check under this chapter solely because the person is the financier's spouse.

(3) For purposes of this section, "financier" means any person or entity, other than a banking institution, who provides money as a gift or loans money to the applicant or licensed marijuana business or entity and expects to be paid back the amount of the loan with or without reasonable interest.

**Sec.**  RCW 69.50.395 and 2017 c 317 s 16 are each amended to read as follows:

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

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

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

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

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

(b) This section does not require approval by the liquor and cannabis board of any agreement or contract entered into by a licensed marijuana business and disclosed to the board under this section, except for:

(i) An agreement or contract for consulting services provided to a licensed marijuana business; and

(ii) An agreement or contract covering employment services of an employee of the licensed marijuana business that is subject to this section.

**--- END ---**