HOUSE BILL 2826

State of Washington 66th Legislature 2020 Regular Session

By Representatives Peterson and Pollet; by request of Liquor and Cannabis Board

Read first time 01/23/20. Referred to Committee on Commerce & Gaming.

AN ACT Relating to clarifying the authority of the liquor and cannabis board to regulate marijuana vapor products; amending RCW 69.50.342; reenacting and amending RCW 69.50.101; adding a new section to chapter 69.50 RCW; creating a new section; and declaring an emergency.

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

7 NEW SECTION. Sec. 1. The legislature finds that recent reports 8 of lung illnesses associated with vapor products demand serious 9 attention by the state in the interest of protecting public health 10 and preventing youth access. While state law grants the liquor and 11 cannabis board broad authority to regulate vapor products containing 12 marijuana, the legislature finds that risks to public health and 13 youth access can be mitigated by clarifying that the board is granted 14 specific authority to prohibit the use of any additive, solvent, 15 ingredient, or compound in marijuana vapor product production and 16 processing and to prohibit any device used in conjunction with a 17 marijuana vapor product.

18 Sec. 2. RCW 69.50.101 and 2019 c 394 s 9, 2019 c 158 s 12, and 19 2019 c 55 s 11 are each reenacted and amended to read as follows:

1 The definitions in this section apply throughout this chapter 2 unless the context clearly requires otherwise.

3 (a) "Administer" means to apply a controlled substance, whether 4 by injection, inhalation, ingestion, or any other means, directly to 5 the body of a patient or research subject by:

6 (1) a practitioner authorized to prescribe (or, by the 7 practitioner's authorized agent); or

8 (2) the patient or research subject at the direction and in the 9 presence of the practitioner.

10 (b) "Agent" means an authorized person who acts on behalf of or 11 at the direction of a manufacturer, distributor, or dispenser. It 12 does not include a common or contract carrier, public 13 warehouseperson, or employee of the carrier or warehouseperson.

14 (c) "Board" means the Washington state liquor and cannabis board.

15 (d) "CBD concentration" has the meaning provided in RCW 16 69.51A.010.

17 (e) "CBD product" means any product containing or consisting of 18 cannabidiol.

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(f) "Commission" means the pharmacy quality assurance commission.

(g) "Controlled substance" means a drug, substance, or immediate precursor included in Schedules I through V as set forth in federal or state laws, or federal or commission rules, but does not include hemp or industrial hemp as defined in RCW 15.140.020.

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

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

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

37 (2) The term does not include:

38 (i) a controlled substance;

39 (ii) a substance for which there is an approved new drug 40 application; 1 (iii) a substance with respect to which an exemption is in effect 2 for investigational use by a particular person under Section 505 of 3 the federal food, drug, and cosmetic act, 21 U.S.C. Sec. 355, or 4 chapter 69.77 RCW to the extent conduct with respect to the substance 5 is pursuant to the exemption; or

6 (iv) any substance to the extent not intended for human 7 consumption before an exemption takes effect with respect to the 8 substance.

9 (i) "Deliver" or "delivery" means the actual or constructive 10 transfer from one person to another of a substance, whether or not 11 there is an agency relationship.

(j) "Department" means the department of health.

13 (k) "Designated provider" has the meaning provided in RCW 14 69.51A.010.

15 (1) "Dispense" means the interpretation of a prescription or 16 order for a controlled substance and, pursuant to that prescription 17 or order, the proper selection, measuring, compounding, labeling, or 18 packaging necessary to prepare that prescription or order for 19 delivery.

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(m) "Dispenser" means a practitioner who dispenses.

21 (n) "Distribute" means to deliver other than by administering or 22 dispensing a controlled substance.

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(o) "Distributor" means a person who distributes.

(p) "Drug" means (1) a controlled substance recognized as a drug 24 25 in the official United States pharmacopoeia/national formulary or the 26 official homeopathic pharmacopoeia of the United States, or any supplement to them; (2) controlled substances intended for use in the 27 28 diagnosis, cure, mitigation, treatment, or prevention of disease in individuals or animals; (3) controlled substances (other than food) 29 intended to affect the structure or any function of the body of 30 31 individuals or animals; and (4) controlled substances intended for 32 use as a component of any article specified in (1), (2), or (3) of 33 this subsection. The term does not include devices or their components, parts, or accessories. 34

35 (q) "Drug enforcement administration" means the drug enforcement 36 administration in the United States Department of Justice, or its 37 successor agency.

38 (r) "Electronic communication of prescription information" means 39 the transmission of a prescription or refill authorization for a drug 40 of a practitioner using computer systems. The term does not include a prescription or refill authorization verbally transmitted by
 telephone nor a facsimile manually signed by the practitioner.

3 (s) "Immature plant or clone" means a plant or clone that has no 4 flowers, is less than twelve inches in height, and is less than 5 twelve inches in diameter.

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(t) "Immediate precursor" means a substance:

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

10 (2) that is an immediate chemical intermediary used or likely to 11 be used in the manufacture of a controlled substance; and

12 (3) the control of which is necessary to prevent, curtail, or 13 limit the manufacture of the controlled substance.

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

20 (v) "Lot" means a definite quantity of marijuana, marijuana 21 concentrates, useable marijuana, or marijuana-infused product 22 identified by a lot number, every portion or package of which is 23 uniform within recognized tolerances for the factors that appear in 24 the labeling.

(w) "Lot number" must identify the licensee by business or trade name and Washington state unified business identifier number, and the date of harvest or processing for each lot of marijuana, marijuana concentrates, useable marijuana, or marijuana-infused product.

29 (x) "Manufacture" means the production, preparation, propagation, compounding, conversion, or processing of a controlled substance, 30 31 either directly or indirectly or by extraction from substances of natural origin, or independently by means of chemical synthesis, or 32 by a combination of extraction and chemical synthesis, and includes 33 any packaging or repackaging of the substance or labeling or 34 relabeling of its container. The term does not include the 35 36 preparation, compounding, packaging, repackaging, labeling, or relabeling of a controlled substance: 37

38 (1) by a practitioner as an incident to the practitioner's 39 administering or dispensing of a controlled substance in the course 40 of the practitioner's professional practice; or 1 (2) by a practitioner, or by the practitioner's authorized agent 2 under the practitioner's supervision, for the purpose of, or as an 3 incident to, research, teaching, or chemical analysis and not for 4 sale.

5 (y) "Marijuana" or "marihuana" means all parts of the plant 6 *Cannabis*, whether growing or not, with a THC concentration greater 7 than 0.3 percent on a dry weight basis; the seeds thereof; the resin 8 extracted from any part of the plant; and every compound, 9 manufacture, salt, derivative, mixture, or preparation of the plant, 10 its seeds or resin. The term does not include:

11 (1) The mature stalks of the plant, fiber produced from the 12 stalks, oil or cake made from the seeds of the plant, any other 13 compound, manufacture, salt, derivative, mixture, or preparation of 14 the mature stalks (except the resin extracted therefrom), fiber, oil, 15 or cake, or the sterilized seed of the plant which is incapable of 16 germination; or

17 (2) Hemp or industrial hemp as defined in RCW 15.140.020, seeds18 used for licensed hemp production under chapter 15.140 RCW.

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

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

(bb) "Marijuana producer" means a person licensed by the ((state liquor and cannabis)) board to produce and sell marijuana at wholesale to marijuana processors and other marijuana producers.

32 (cc) "Marijuana products" means useable marijuana, marijuana 33 concentrates, and marijuana-infused products as defined in this 34 section.

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

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

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

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

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

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

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

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

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

29 (6) Cocaine base.

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

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

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

1 69.50.201, the dextrorotatory isomer of 3-methoxy-n-methylmorphinan 2 and its salts (dextromethorphan). The term includes the racemic and 3 levorotatory forms of dextromethorphan.

4 (ii) "Opium poppy" means the plant of the species Papaver 5 somniferum L., except its seeds.

6 (jj) "Person" means individual, corporation, business trust, 7 estate, trust, partnership, association, joint venture, government, 8 governmental subdivision or agency, or any other legal or commercial 9 entity.

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

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

13 (mm) "Practitioner" means:

(1) A physician under chapter 18.71 RCW; a physician assistant 14 under chapter 18.71A RCW; an osteopathic physician and surgeon under 15 16 chapter 18.57 RCW; an osteopathic physician assistant under chapter 17 18.57A RCW who is licensed under RCW 18.57A.020 subject to any 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 21 18.32 RCW; a podiatric physician and surgeon under chapter 18.22 RCW; 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 25 who is licensed under RCW 18.36A.030 subject to any limitations in RCW 18.36A.040; a pharmacist under chapter 18.64 RCW or a scientific 26 27 investigator under this chapter, licensed, registered or otherwise 28 permitted insofar as is consistent with those licensing laws to distribute, dispense, conduct research with respect to or administer 29 a controlled substance in the course of their professional practice 30 31 or research in this state.

32 (2) A pharmacy, hospital or other institution licensed, 33 registered, or otherwise permitted to distribute, dispense, conduct 34 research with respect to or to administer a controlled substance in 35 the course of professional practice or research in this state.

36 (3) A physician licensed to practice medicine and surgery, a 37 physician licensed to practice osteopathic medicine and surgery, a 38 dentist licensed to practice dentistry, a podiatric physician and 39 surgeon licensed to practice podiatric medicine and surgery, a 40 licensed physician assistant or a licensed osteopathic physician

1 assistant specifically approved to prescribe controlled substances by 2 his or her state's medical commission or equivalent and his or her 3 supervising physician, an advanced registered nurse practitioner 4 licensed to prescribe controlled substances, or a veterinarian 5 licensed to practice veterinary medicine in any state of the United 6 States.

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

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

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

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

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

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

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

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

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

37 (ww) "Useable marijuana" means dried marijuana flowers. The term 38 "useable marijuana" does not include either marijuana-infused 39 products or marijuana concentrates. 1 <u>(xx) "Youth access" means the level of interest persons under the</u> 2 age of twenty-one may have in a vapor product, as well as the degree 3 to which the product is available or appealing to such persons, and 4 the likelihood of initiation, use, or addiction by adolescents and 5 young adults.

6 Sec. 3. RCW 69.50.342 and 2019 c 394 s 4 are each amended to 7 read as follows:

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

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

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

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

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

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

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

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

(h) Forms to be used for purposes of this chapter and chapter69.51A RCW or the rules adopted to implement and enforce these

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

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

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

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

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

32 (m) The prohibition of any type of device used in conjunction with a marijuana vapor product and the prohibition of the use of any 33 34 type of additive, solvent, ingredient, or compound in the production and processing of marijuana products, including marijuana vapor 35 products, when the board determines, following consultation with the 36 37 department of health or any other authority the board deems appropriate, that the device, additive, solvent, ingredient, or 38 39 compound may pose a risk to public health or youth access; and

1 <u>(n) Requirements for processors to submit under oath to the</u> 2 <u>department of health a complete list of all constituent substances</u> 3 <u>and the amount and sources thereof in each marijuana vapor product,</u> 4 <u>including all additives, thickening agents, preservatives, compounds,</u> 5 <u>and any other substance used in the production and processing of each</u> 6 <u>marijuana vapor product.</u>

7 (2) Rules adopted on retail outlets holding medical marijuana
8 endorsements must be adopted in coordination and consultation with
9 the department.

10 (3) The board must adopt rules to perfect and expand existing 11 programs for compliance education for licensed marijuana businesses 12 and their employees. The rules must include a voluntary compliance 13 program created in consultation with licensed marijuana businesses 14 and their employees. The voluntary compliance program must include 15 recommendations on abating violations of this chapter and rules 16 adopted under this chapter.

17 <u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 69.50 18 RCW to read as follows:

(1) Except as provided in subsection (2) of this section, marijuana processors may incorporate in marijuana vapor products a characterizing flavor if the characterizing flavor is derived from botanical terpenes naturally occurring in the cannabis plant, regardless of source, and if the characterizing flavor mimics the terpene profile found in a cannabis plant. Characterizing flavors authorized under this section do not include any synthetic terpenes.

(2) If the board determines a characterizing flavor otherwise
authorized under this section may pose a risk to public health or
youth access, the board may, by rule adopted under RCW 69.50.342,
prohibit the use in marijuana vapor products of such a characterizing
flavor.

31 <u>NEW SECTION.</u> Sec. 5. This act is necessary for the immediate 32 preservation of the public peace, health, or safety, or support of 33 the state government and its existing public institutions, and takes 34 effect immediately.

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