CERTIFICATION OF ENROLLMENT

## HOUSE BILL 2052

Chapter 277, Laws of 2019

66th Legislature 2019 Regular Session

MARIJUANA PRODUCT TESTING--VARIOUS PROVISIONS

EFFECTIVE DATE: July 28, 2019-Except for sections 2 and 6, which become effective July 1, 2024.

Passed by the House April 22, 2019 Yeas 96 Nays O

FRANK CHOPP

Passed by the Senate April 13, 2019 Yeas 44 Nays 1

CYRUS HABIB

President of the Senate

Approved May 7, 2019 11:00 AM

## CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby Speaker of the House of Representatives certify that the attached is HOUSE BILL 2052 as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

May 13, 2019

JAY INSLEE

Governor of the State of Washington

Secretary of State State of Washington

## HOUSE BILL 2052

AS AMENDED BY THE SENATE

Passed Legislature - 2019 Regular Session

## State of Washington 66th Legislature 2019 Regular Session

By Representatives Stanford, MacEwen, Kloba, and Reeves

Read first time 02/14/19. Referred to Committee on Commerce & Gaming.

AN ACT Relating to clarifying marijuana product testing by revising provisions concerning marijuana testing laboratory accreditation and establishing a cannabis science task force; amending RCW 69.50.348, 69.50.348, and 69.50.345; adding new sections to chapter 43.21A RCW; adding a new section to chapter 69.50 RCW; creating a new section; providing an effective date; and providing expiration dates.

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

9 Sec. 1. RCW 69.50.348 and 2013 c 3 s 11 are each amended to read 10 as follows:

11 (1) On a schedule determined by the state liquor ((control)) and 12 cannabis board, every licensed marijuana producer and processor must submit representative samples of marijuana, useable marijuana, or 13 marijuana-infused products produced or processed by the licensee to 14 15 independent, third-party testing laboratory meeting an the 16 accreditation requirements established by the state liquor ((control)) and cannabis board, for inspection and testing to certify 17 18 compliance with quality assurance and product standards adopted by 19 the state liquor ((control)) and cannabis board under RCW 69.50.342. 20 sample remaining after testing shall be destroyed by the Any 21 laboratory or returned to the licensee submitting the sample.

1 (2) Licensees must submit the results of ((this)) inspection and 2 testing for quality assurance and product standards required under 3 <u>subsection (1) of this section</u> to the state liquor ((control)) <u>and</u> 4 <u>cannabis</u> board on a form developed by the state liquor ((control)) 5 <u>and cannabis</u> board.

6 (3) If a representative sample inspected and tested under this 7 section does not meet the applicable <u>quality assurance and product</u> 8 standards ((<del>adopted</del>)) <u>established</u> by the state liquor ((<del>control</del>)) <u>and</u> 9 <u>cannabis</u> board, the entire lot from which the sample was taken must 10 be destroyed.

11 <u>(4) The state liquor and cannabis board may adopt rules necessary</u> 12 <u>to implement this section.</u>

13 Sec. 2. RCW 69.50.348 and 2013 c 3 s 11 are each amended to read 14 as follows:

15 (1) On a schedule determined by the state liquor ((control)) and 16 cannabis board, every licensed marijuana producer and processor must submit representative samples of marijuana, useable marijuana, or 17 18 marijuana-infused products produced or processed by the licensee to independent, third-party testing laboratory meeting the 19 an accreditation requirements established by the state ((liquor control 20 board)) department of ecology, for inspection and testing to certify 21 22 compliance with guality assurance and product standards adopted by the state liquor ((control)) and cannabis board under RCW 69.50.342. 23 24 Any sample remaining after testing shall be destroyed by the laboratory or returned to the licensee submitting the sample. 25

(2) Licensees must submit the results of ((this)) inspection and
 testing for quality assurance and product standards required under
 <u>RCW 69.50.342</u> to the state liquor ((control)) and cannabis board on a
 form developed by the state liquor ((control)) and cannabis board.

30 (3) If a representative sample inspected and tested under this 31 section does not meet the applicable <u>quality assurance and product</u> 32 standards ((adopted)) <u>established</u> by the state liquor ((control)) <u>and</u> 33 <u>cannabis</u> board, the entire lot from which the sample was taken must 34 be destroyed.

35 <u>(4)(a) The department of ecology may determine, assess, and</u> 36 <u>collect annual fees sufficient to cover the direct and indirect costs</u> 37 <u>of implementing a state marijuana product testing laboratory</u> 38 <u>accreditation program, except for the initial program development</u> 39 costs. The department of ecology must develop a fee schedule

allocating the costs of the accreditation program among its 1 accredited marijuana product testing laboratories. The department of 2 ecology <u>may establish</u> a payment schedule requiring periodic 3 installments of the annual fee. The fee schedule must be established 4 in amounts to fully cover, but not exceed, the administrative and 5 6 oversight costs. The department of ecology must review and update its fee schedule biennially. The costs of marijuana product testing 7 laboratory accreditation are those incurred by the department of 8 ecology in administering and enforcing the accreditation program. The 9 10 costs may include, but are not limited to, the costs incurred in undertaking the following accreditation functions: 11 12 (i) Evaluating the protocols and procedures used by a laboratory; 13 (ii) Performing on-site audits; (iii) Evaluating participation and successful completion of 14 15 proficiency testing;

16 <u>(iv)</u> Determining the capability of a laboratory to produce 17 accurate and reliable test results; and

18 <u>(v) Such other accreditation activities as the department of</u> 19 <u>ecology deems appropriate.</u>

20 <u>(b) The state marijuana product testing laboratory accreditation</u> 21 program initial development costs must be fully paid from the 22 dedicated marijuana account created in RCW 69.50.530.

23 (5) The department of ecology and the liquor and cannabis board 24 must act cooperatively to ensure effective implementation and 25 administration of this section.

26 (6) All fees collected under this section must be deposited in 27 the dedicated marijuana account created in RCW 69.50.530.

28 <u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 43.21A 29 RCW to read as follows:

30 (1)(a) The cannabis science task force is established with 31 members as provided in this subsection.

32 (i) The directors, or the directors' appointees, of the 33 departments of agriculture, health, ecology, and the liquor and 34 cannabis board must each serve as members on the task force.

35 (ii) A majority of the four agency task force members will select 36 additional members, as follows:

(A) Representatives with expertise in chemistry, microbiology,
 toxicology, public health, and/or food and agricultural testing
 methods from state and local agencies and tribal governments; and

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(B) Nongovernmental cannabis industry scientists.

2 (b) The director or the director's designee from the department 3 of ecology must serve as chair of the task force.

(2)(a) The cannabis science task force must:

5 (i) Collaborate on the development of appropriate laboratory 6 quality standards for marijuana product testing laboratories;

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(ii) Establish two work groups:

8 (A) A proficiency testing program work group to be led by the 9 department; and

10 (B) A laboratory quality standards work group to be led by the 11 department of agriculture. At a minimum this work group will address 12 appropriate approved testing methods, method validation protocols, 13 and method performance criteria.

14 (b) The cannabis science task force may reorganize the work 15 groups or create additional work groups as necessary.

16 (3) Staff support for the cannabis science task force must be 17 provided by the department.

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(4) Reimbursement for members is subject to chapter 43.03 RCW.

19 (5) Expenses of the cannabis science task force must be paid by 20 the department.

(6) The cannabis science task force must submit a report to the relevant committees of the legislature by July 1, 2020, that includes the findings and recommendations for laboratory quality standards for pesticides in plants for marijuana product testing laboratories. The report must include, but is not limited to, recommendations relating to the following:

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(a) Appropriate approved testing methods;

28 (b) Method validation protocols;

- 29 (c) Method performance criteria;
- 30 (d) Sampling and homogenization protocols;
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(e) Proficiency testing; and

32 (f) Regulatory updates related to (a) through (e) of this 33 subsection, by which agencies, and the timing of these updates.

(7) To the fullest extent possible, the task force must consult
 with other jurisdictions that have established, or are establishing,
 marijuana product testing programs.

37 (8) Following development of findings and recommendations for 38 laboratory quality standards for pesticides in plants for marijuana 39 product testing laboratories, the task force must develop findings 40 and recommendations for additional laboratory quality standards,

1 including, but not limited to, heavy metals in and potency of 2 marijuana products.

3 (a) The cannabis science task force must submit a report on the 4 findings and recommendations for these additional standards to the 5 relevant committees of the legislature by December 1, 2021.

6 (b) The report must include recommendations pertaining to the 7 items listed in subsection (6)(a) through (f) of this section.

8 (9) The task force must hold its first meeting by September 1, 9 2019.

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(10) This section expires December 31, 2022.

11 <u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 69.50 12 RCW to read as follows:

13 The liquor and cannabis board may adopt rules that address the 14 findings and recommendations in the task force reports provided under 15 section 3 of this act.

16 <u>NEW SECTION.</u> Sec. 5. A new section is added to chapter 43.21A 17 RCW to read as follows:

By July 1, 2024, the department must, in consultation with the liquor and cannabis board, adopt rules to implement section 2, chapter . ., Laws of 2019 (section 2 of this act).

21 Sec. 6. RCW 69.50.345 and 2018 c 43 s 2 are each amended to read 22 as follows:

The state liquor and cannabis board, subject to the provisions of this chapter, must adopt rules that establish the procedures and criteria necessary to implement the following:

(1) Licensing of marijuana producers, marijuana processors, and
 marijuana retailers, including prescribing forms and establishing
 application, reinstatement, and renewal fees.

(a) Application forms for marijuana producers must request the 29 applicant to state whether the applicant intends to produce marijuana 30 sale by marijuana retailers holding medical marijuana 31 for endorsements and the amount of or percentage of canopy the applicant 32 intends to commit to growing plants determined by the department 33 under RCW 69.50.375 to be of a THC concentration, CBD concentration, 34 35 or THC to CBD ratio appropriate for marijuana concentrates, useable 36 marijuana, or marijuana-infused products sold to qualifying patients.

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

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

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(a) Population distribution;

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(b) Security and safety issues;

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

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

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

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

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

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

14 (6) In making the determinations required by this section, the15 state liquor and cannabis board shall take into consideration:

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(a) Security and safety issues;

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

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

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

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

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

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

36 (d) Medically and scientifically accurate information about the37 health and safety risks posed by marijuana use; and

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(e) Language required by RCW 69.04.480;

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

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

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

(a) Federal laws relating to marijuana that are applicable withinWashington state;

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

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

17 (d) Ensuring that retail outlets with medical marijuana18 endorsements may advertise themselves as medical retail outlets;

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

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

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

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1 <u>NEW SECTION.</u> Sec. 7. Section 1 of this act expires July 1, 2 2024.

3 <u>NEW SECTION.</u> Sec. 8. Sections 2 and 6 of this act take effect 4 July 1, 2024.

5 <u>NEW SECTION.</u> Sec. 9. If specific funding for the purposes of 6 this act, referencing this act by bill or chapter number, is not 7 provided by June 30, 2019, in the omnibus appropriations act, this 8 act is null and void.

> Passed by the House April 22, 2019. Passed by the Senate April 13, 2019. Approved by the Governor May 7, 2019. Filed in Office of Secretary of State May 13, 2019.

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