

ESSB 5131 - H COMM AMD

By Committee on Commerce & Gaming

NOT ADOPTED 04/11/2017

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 69.50.325 and 2016 c 170 s 1 are each amended to
4 read as follows:

5 (1) There shall be a marijuana producer's license regulated by
6 the state liquor and cannabis board and subject to annual renewal.
7 The licensee is authorized to produce: (a) Marijuana for sale at
8 wholesale to marijuana processors and other marijuana producers ((and
9 to produce marijuana)); (b) immature plants or clones and seeds for
10 sale to cooperatives as described under RCW 69.51A.250((, regulated
11 by the state liquor and cannabis board and subject to annual
12 renewal)); and (c) immature plants or clones and seeds for sale to
13 qualifying patients and designated providers as described under
14 section 9 of this act. The production, possession, delivery,
15 distribution, and sale of marijuana in accordance with the provisions
16 of this chapter and the rules adopted to implement and enforce it, by
17 a validly licensed marijuana producer, shall not be a criminal or
18 civil offense under Washington state law. Every marijuana producer's
19 license shall be issued in the name of the applicant, shall specify
20 the location at which the marijuana producer intends to operate,
21 which must be within the state of Washington, and the holder thereof
22 shall not allow any other person to use the license. The application
23 fee for a marijuana producer's license shall be two hundred fifty
24 dollars. The annual fee for issuance and renewal of a marijuana
25 producer's license shall be one thousand dollars. A separate license
26 shall be required for each location at which a marijuana producer
27 intends to produce marijuana.

28 (2) There shall be a marijuana processor's license to process,
29 package, and label marijuana concentrates, useable marijuana, and
30 marijuana-infused products for sale at wholesale to marijuana
31 processors and marijuana retailers, regulated by the state liquor and
32 cannabis board and subject to annual renewal. The processing,

1 packaging, possession, delivery, distribution, and sale of marijuana,
2 useable marijuana, marijuana-infused products, and marijuana
3 concentrates in accordance with the provisions of this chapter and
4 chapter 69.51A RCW and the rules adopted to implement and enforce
5 these chapters, by a validly licensed marijuana processor, shall not
6 be a criminal or civil offense under Washington state law. Every
7 marijuana processor's license shall be issued in the name of the
8 applicant, shall specify the location at which the licensee intends
9 to operate, which must be within the state of Washington, and the
10 holder thereof shall not allow any other person to use the license.
11 The application fee for a marijuana processor's license shall be two
12 hundred fifty dollars. The annual fee for issuance and renewal of a
13 marijuana processor's license shall be one thousand dollars. A
14 separate license shall be required for each location at which a
15 marijuana processor intends to process marijuana.

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

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

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

4 (ii) The state liquor and cannabis board shall adopt rules to
5 establish a license forfeiture process for a licensed marijuana
6 retailer that is not fully operational and open to the public within
7 a specified period from the date of license issuance, as established
8 by the state liquor and cannabis board, subject to the following
9 restrictions:

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

12 (B) The state liquor and cannabis board must require license
13 forfeiture on or before twenty-four calendar months of license
14 issuance if a marijuana retailer is not fully operational and open to
15 the public, unless the board determines that circumstances out of the
16 licensee's control are preventing the licensee from becoming fully
17 operational and that, in the board's discretion, the circumstances
18 warrant extending the forfeiture period beyond twenty-four calendar
19 months.

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

22 (iv) This subsection (3)(c) applies to marijuana retailer's
23 licenses issued before and after the effective date of this section.
24 However, no license of a marijuana retailer that otherwise meets the
25 conditions for license forfeiture established pursuant to this
26 subsection (3)(c) may be subject to forfeiture within the first three
27 calendar months of the effective date of this section.

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

30 (1) For the purpose of considering any application for a license
31 to produce, process, research, transport, or deliver marijuana,
32 useable marijuana, marijuana concentrates, or marijuana-infused
33 products subject to the regulations established under RCW 69.50.385,
34 or sell marijuana, or for the renewal of a license to produce,
35 process, research, transport, or deliver marijuana, useable
36 marijuana, marijuana concentrates, or marijuana-infused products
37 subject to the regulations established under RCW 69.50.385, or sell
38 marijuana, the state liquor and cannabis board must conduct a
39 comprehensive, fair, and impartial evaluation of the applications

1 timely received. As part of the licensing application and renewal
2 process, the board must obtain information and collect demographic
3 data regarding the race, ethnic background, and gender of the
4 applicants for the licenses authorized under this chapter.

5 ~~(a) ((The state liquor and cannabis board must develop a~~
6 ~~competitive, merit-based application process that includes, at a~~
7 ~~minimum, the opportunity for an applicant to demonstrate experience~~
8 ~~and qualifications in the marijuana industry. The state liquor and~~
9 ~~cannabis board must give preference between competing applications in~~
10 ~~the licensing process to applicants that have the following~~
11 ~~experience and qualifications, in the following order of priority:~~

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

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

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

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

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

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

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

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

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

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

31 ~~(b))~~ The state liquor and cannabis board may cause an inspection
32 of the premises to be made, and may inquire into all matters in
33 connection with the construction and operation of the premises. For
34 the purpose of reviewing any application for a license and for
35 considering the denial, suspension, revocation, or renewal or denial
36 thereof, of any license, the state liquor and cannabis board may
37 consider any prior criminal conduct of the applicant including an
38 administrative violation history record with the state liquor and
39 cannabis board and a criminal history record information check. The
40 state liquor and cannabis board may submit the criminal history

1 record information check to the Washington state patrol and to the
2 identification division of the federal bureau of investigation in
3 order that these agencies may search their records for prior arrests
4 and convictions of the individual or individuals who filled out the
5 forms. The state liquor and cannabis board must require
6 fingerprinting of any applicant whose criminal history record
7 information check is submitted to the federal bureau of
8 investigation. The provisions of RCW 9.95.240 and of chapter 9.96A
9 RCW do not apply to these cases. Subject to the provisions of this
10 section, the state liquor and cannabis board may, in its discretion,
11 grant or deny the renewal or license applied for. Denial may be based
12 on, without limitation, the existence of chronic illegal activity
13 documented in objections submitted pursuant to subsections (7)(c) and
14 (10) of this section. Authority to approve an uncontested or
15 unopposed license may be granted by the state liquor and cannabis
16 board to any staff member the board designates in writing. Conditions
17 for granting this authority must be adopted by rule.

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

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

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

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

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

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

37 (b) The state liquor and cannabis board must immediately suspend
38 the license of a person who has been certified pursuant to RCW
39 74.20A.320 by the department of social and health services as a
40 person who is not in compliance with a support order. If the person

1 has continued to meet all other requirements for reinstatement during
2 the suspension, reissuance of the license is automatic upon the state
3 liquor and cannabis board's receipt of a release issued by the
4 department of social and health services stating that the licensee is
5 in compliance with the order.

6 (c) The state liquor and cannabis board may request the
7 appointment of administrative law judges under chapter 34.12 RCW who
8 shall have power to administer oaths, issue subpoenas for the
9 attendance of witnesses and the production of papers, books,
10 accounts, documents, and testimony, examine witnesses, and to receive
11 testimony in any inquiry, investigation, hearing, or proceeding in
12 any part of the state, under rules and regulations the state liquor
13 and cannabis board may adopt.

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

19 (e) In case of disobedience of any person to comply with the
20 order of the state liquor and cannabis board or a subpoena issued by
21 the state liquor and cannabis board, or any of its members, or
22 administrative law judges, or on the refusal of a witness to testify
23 to any matter regarding which he or she may be lawfully interrogated,
24 the judge of the superior court of the county in which the person
25 resides, on application of any member of the board or administrative
26 law judge, compels obedience by contempt proceedings, as in the case
27 of disobedience of the requirements of a subpoena issued from said
28 court or a refusal to testify therein.

29 (3) Upon receipt of notice of the suspension or cancellation of a
30 license, the licensee must forthwith deliver up the license to the
31 state liquor and cannabis board. Where the license has been suspended
32 only, the state liquor and cannabis board must return the license to
33 the licensee at the expiration or termination of the period of
34 suspension. The state liquor and cannabis board must notify all other
35 licensees in the county where the subject licensee has its premises
36 of the suspension or cancellation of the license; and no other
37 licensee or employee of another licensee may allow or cause any
38 marijuana, marijuana concentrates, useable marijuana, or marijuana-
39 infused products to be delivered to or for any person at the premises
40 of the subject licensee.

1 (4) Every license issued under this chapter is subject to all
2 conditions and restrictions imposed by this chapter or by rules
3 adopted by the state liquor and cannabis board to implement and
4 enforce this chapter. All conditions and restrictions imposed by the
5 state liquor and cannabis board in the issuance of an individual
6 license must be listed on the face of the individual license along
7 with the trade name, address, and expiration date.

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

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

12 (7)(a) Before the state liquor and cannabis board issues a new or
13 renewed license to an applicant it must give notice of the
14 application to the chief executive officer of the incorporated city
15 or town, if the application is for a license within an incorporated
16 city or town, or to the county legislative authority, if the
17 application is for a license outside the boundaries of incorporated
18 cities or towns, or to the tribal government if the application is
19 for a license within Indian country under the jurisdiction of a
20 federally recognized Indian tribe, or to the port authority if the
21 application for a license is located on property owned by a port
22 authority.

23 (b) The incorporated city or town through the official or
24 employee selected by it, ~~((or))~~ the county legislative authority or
25 the official or employee selected by it, the tribal government, or
26 port authority has the right to file with the state liquor and
27 cannabis board within twenty days after the date of transmittal of
28 the notice for applications, or at least thirty days prior to the
29 expiration date for renewals, written objections against the
30 applicant or against the premises for which the new or renewed
31 license is asked. The state liquor and cannabis board may extend the
32 time period for submitting written objections upon request from the
33 authority notified by the state liquor and cannabis board.

34 (c) The written objections must include a statement of all facts
35 upon which the objections are based, and in case written objections
36 are filed, the city or town or county legislative authority may
37 request, and the state liquor and cannabis board may in its
38 discretion hold, a hearing subject to the applicable provisions of
39 Title 34 RCW. If the state liquor and cannabis board makes an initial
40 decision to deny a license or renewal based on the written objections

1 of an incorporated city or town or county legislative authority, the
2 applicant may request a hearing subject to the applicable provisions
3 of Title 34 RCW. If a hearing is held at the request of the
4 applicant, state liquor and cannabis board representatives must
5 present and defend the state liquor and cannabis board's initial
6 decision to deny a license or renewal.

7 (d) Upon the granting of a license under this title the state
8 liquor and cannabis board must send written notification to the chief
9 executive officer of the incorporated city or town in which the
10 license is granted, or to the county legislative authority if the
11 license is granted outside the boundaries of incorporated cities or
12 towns.

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

20 (b) A city, county, or town may permit the licensing of premises
21 within one thousand feet but not less than one hundred feet of the
22 facilities described in (a) of this subsection, except elementary
23 schools, secondary schools, and playgrounds, by enacting an ordinance
24 authorizing such distance reduction, provided that such distance
25 reduction will not negatively impact the jurisdiction's civil
26 regulatory enforcement, criminal law enforcement interests, public
27 safety, or public health.

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

35 (d) The state liquor and cannabis board may license premises
36 located in compliance with the distance requirements set in an
37 ordinance adopted under (b) or (c) of this subsection. Before issuing
38 or renewing a research license for premises within one thousand feet
39 but not less than one hundred feet of an elementary school, secondary

1 school, or playground in compliance with an ordinance passed pursuant
2 to (c) of this subsection, the board must ensure that the facility:

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

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

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

9 (e)(i) The state liquor and cannabis board may not issue a
10 license for any premises within Indian country, as defined in 18
11 U.S.C. Sec. 1151, including any federal fee patent lands within the
12 exterior boundaries of a reservation, without the consent of the
13 federally recognized tribe associated with the reservation or Indian
14 country.

15 (ii) The state liquor and cannabis board may issue a license
16 either upon receipt of the consent of the tribe required under (e)(i)
17 of this subsection or after ninety days following the board's
18 provision of notice to the tribe, as required under subsection (7)(a)
19 of this section, in the event the tribe fails to respond to such
20 notice within this ninety-day period.

21 (iii) The provisions of this subsection (8)(e) are prospective
22 only and apply only to applications for new licenses received on or
23 after the effective date of this section.

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

29 (10) In determining whether to grant or deny a license or renewal
30 of any license, the state liquor and cannabis board must give
31 substantial weight to objections from an incorporated city or town or
32 county legislative authority based upon chronic illegal activity
33 associated with the applicant's operations of the premises proposed
34 to be licensed or the applicant's operation of any other licensed
35 premises, or the conduct of the applicant's patrons inside or outside
36 the licensed premises. "Chronic illegal activity" means (a) a
37 pervasive pattern of activity that threatens the public health,
38 safety, and welfare of the city, town, or county including, but not
39 limited to, open container violations, assaults, disturbances,
40 disorderly conduct, or other criminal law violations, or as

1 documented in crime statistics, police reports, emergency medical
2 response data, calls for service, field data, or similar records of a
3 law enforcement agency for the city, town, county, or any other
4 municipal corporation or any state agency; or (b) an unreasonably
5 high number of citations for violations of RCW 46.61.502 associated
6 with the applicant's or licensee's operation of any licensed premises
7 as indicated by the reported statements given to law enforcement upon
8 arrest.

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

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

- 14 (a) To test chemical potency and composition levels;
- 15 (b) To conduct clinical investigations of marijuana-derived drug
16 products;
- 17 (c) To conduct research on the efficacy and safety of
18 administering marijuana as part of medical treatment; and
- 19 (d) To conduct genomic or agricultural research.

20 (2) As part of the application process for a marijuana research
21 license, an applicant must submit to the liquor and cannabis board's
22 designated scientific reviewer a description of the research that is
23 intended to be conducted. The liquor and cannabis board must select a
24 scientific reviewer to review an applicant's research project and
25 determine that it meets the requirements of subsection (1) of this
26 section, as well as assess the following:

- 27 (a) Project quality, study design, value, or impact;
- 28 (b) Whether applicants have the appropriate personnel, expertise,
29 facilities/infrastructure, funding, and human/animal/other federal
30 approvals in place to successfully conduct the project; and
- 31 (c) Whether the amount of marijuana to be grown by the applicant
32 is consistent with the project's scope and goals.

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

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

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

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

9 (a) Application requirements;

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

12 (c) Conditions for license revocation;

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

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

17 (f) Licensee reporting requirements;

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

21 (h) Additional requirements deemed necessary by the liquor and
22 cannabis board.

23 (6) The production, processing, possession, delivery, donation,
24 and sale of marijuana, including immature plants or clones and seeds,
25 in accordance with this section, RCW 69.50.366(3), and the rules
26 adopted to implement and enforce ~~((it))~~ this section and RCW
27 69.50.366(3), by a validly licensed marijuana researcher, shall not
28 be a criminal or civil offense under Washington state law. Every
29 marijuana research license must be issued in the name of the
30 applicant, must specify the location at which the marijuana
31 researcher intends to operate, which must be within the state of
32 Washington, and the holder thereof may not allow any other person to
33 use the license.

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

39 (8) The scientific reviewer shall review any reports made by
40 marijuana research licensees under liquor and cannabis board rule and

1 provide the liquor and cannabis board with its determination on
2 whether the research project continues to meet research
3 qualifications under this section.

4 (9) For the purposes of this section, "scientific reviewer" means
5 an organization that convenes or contracts with persons who have the
6 training and experience in research practice and research methodology
7 to determine whether a project meets the criteria for a marijuana
8 research license under this section and to review any reports
9 submitted by marijuana research licensees under liquor and cannabis
10 board rule. "Scientific reviewers" include, but are not limited to,
11 educational institutions, research institutions, peer review bodies,
12 or such other organizations that are focused on science or research
13 in its day-to-day activities.

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

16 No court of the state of Washington other than the superior court
17 of Thurston county shall have jurisdiction over any action or
18 proceeding against the board or any member thereof for anything done
19 or omitted to be done in or arising out of the performance of his or
20 her or their duties under this title. Neither the board nor any
21 member or members thereof shall be personally liable in any action at
22 law for damages sustained by any person because of any acts performed
23 or done or omitted to be done by the board or any employee of the
24 board in the performance of his or her duties and in the
25 administration of this title or chapter 69.50 or 69.51A RCW.

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

28 The definitions in this section apply throughout this chapter
29 unless the context clearly requires otherwise.

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

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

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

37 (b) "Agent" means an authorized person who acts on behalf of or
38 at the direction of a manufacturer, distributor, or dispenser. It

1 does not include a common or contract carrier, public
2 warehouseperson, or employee of the carrier or warehouseperson.

3 (c) "CBD concentration" has the meaning provided in RCW
4 69.51A.010.

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

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

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

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

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

22 (2) The term does not include:

23 (i) a controlled substance;

24 (ii) a substance for which there is an approved new drug
25 application;

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

31 (iv) any substance to the extent not intended for human
32 consumption before an exemption takes effect with respect to the
33 substance.

34 (g) "Deliver" or "delivery((τ))" means the actual or constructive
35 transfer from one person to another of a substance, whether or not
36 there is an agency relationship.

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

38 (i) "Designated provider" has the meaning provided in RCW
39 69.51A.010.

1 (j) "Dispense" means the interpretation of a prescription or
2 order for a controlled substance and, pursuant to that prescription
3 or order, the proper selection, measuring, compounding, labeling, or
4 packaging necessary to prepare that prescription or order for
5 delivery.

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

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

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

10 (n) "Drug" means (1) a controlled substance recognized as a drug
11 in the official United States pharmacopoeia/national formulary or the
12 official homeopathic pharmacopoeia of the United States, or any
13 supplement to them; (2) controlled substances intended for use in the
14 diagnosis, cure, mitigation, treatment, or prevention of disease in
15 individuals or animals; (3) controlled substances (other than food)
16 intended to affect the structure or any function of the body of
17 individuals or animals; and (4) controlled substances intended for
18 use as a component of any article specified in (1), (2), or (3) of
19 this subsection. The term does not include devices or their
20 components, parts, or accessories.

21 (o) "Drug enforcement administration" means the drug enforcement
22 administration in the United States Department of Justice, or its
23 successor agency.

24 (p) "Electronic communication of prescription information" means
25 the transmission of a prescription or refill authorization for a drug
26 of a practitioner using computer systems. The term does not include a
27 prescription or refill authorization verbally transmitted by
28 telephone nor a facsimile manually signed by the practitioner.

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

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

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

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

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

1 ~~((+r))~~ (s) "Isomer" means an optical isomer, but in subsection
2 ~~((+dd))~~ (ee)(5) of this section, RCW 69.50.204(a) (12) and (34), and
3 69.50.206(b)(4), the term includes any geometrical isomer; in RCW
4 69.50.204(a) (8) and (42), and 69.50.210(c) the term includes any
5 positional isomer; and in RCW 69.50.204(a)(35), 69.50.204(c), and
6 69.50.208(a) the term includes any positional or geometric isomer.

7 ~~((+s))~~ (t) "Lot" means a definite quantity of marijuana,
8 marijuana concentrates, useable marijuana, or marijuana-infused
9 product identified by a lot number, every portion or package of which
10 is uniform within recognized tolerances for the factors that appear
11 in the labeling.

12 ~~((+t))~~ (u) "Lot number" must identify the licensee by business
13 or trade name and Washington state unified business identifier
14 number, and the date of harvest or processing for each lot of
15 marijuana, marijuana concentrates, useable marijuana, or marijuana-
16 infused product.

17 ~~((+u))~~ (v) "Manufacture" means the production, preparation,
18 propagation, compounding, conversion, or processing of a controlled
19 substance, either directly or indirectly or by extraction from
20 substances of natural origin, or independently by means of chemical
21 synthesis, or by a combination of extraction and chemical synthesis,
22 and includes any packaging or repackaging of the substance or
23 labeling or relabeling of its container. The term does not include
24 the preparation, compounding, packaging, repackaging, labeling, or
25 relabeling of a controlled substance:

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

29 (2) by a practitioner, or by the practitioner's authorized agent
30 under the practitioner's supervision, for the purpose of, or as an
31 incident to, research, teaching, or chemical analysis and not for
32 sale.

33 ~~((+v))~~ (w) "Marijuana" or "marihuana" means all parts of the
34 plant *Cannabis*, whether growing or not, with a THC concentration
35 greater than 0.3 percent on a dry weight basis; the seeds thereof;
36 the resin extracted from any part of the plant; and every compound,
37 manufacture, salt, derivative, mixture, or preparation of the plant,
38 its seeds or resin. The term does not include the mature stalks of
39 the plant, fiber produced from the stalks, oil or cake made from the
40 seeds of the plant, any other compound, manufacture, salt,

1 derivative, mixture, or preparation of the mature stalks (except the
2 resin extracted therefrom), fiber, oil, or cake, or the sterilized
3 seed of the plant which is incapable of germination.

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

7 ~~((x))~~ (y) "Marijuana processor" means a person licensed by the
8 state liquor and cannabis board to process marijuana into marijuana
9 concentrates, useable marijuana, and marijuana-infused products,
10 package and label marijuana concentrates, useable marijuana, and
11 marijuana-infused products for sale in retail outlets, and sell
12 marijuana concentrates, useable marijuana, and marijuana-infused
13 products at wholesale to marijuana retailers.

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

17 ~~((z))~~ (aa) "Marijuana products" means useable marijuana,
18 marijuana concentrates, and marijuana-infused products as defined in
19 this section.

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

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

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

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

37 (1) Opium, opium derivative, and any derivative of opium or opium
38 derivative, including their salts, isomers, and salts of isomers,
39 whenever the existence of the salts, isomers, and salts of isomers is

1 possible within the specific chemical designation. The term does not
2 include the isoquinoline alkaloids of opium.

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

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

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

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

13 (6) Cocaine base.

14 (7) Ecgonine, or any derivative, salt, isomer, or salt of isomer
15 thereof.

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

18 ~~((+ee+))~~ (ff) "Opiate" means any substance having an addiction-
19 forming or addiction-sustaining liability similar to morphine or
20 being capable of conversion into a drug having addiction-forming or
21 addiction-sustaining liability. The term includes opium, substances
22 derived from opium (opium derivatives), and synthetic opiates. The
23 term does not include, unless specifically designated as controlled
24 under RCW 69.50.201, the dextrorotatory isomer of 3-methoxy-n-
25 methylmorphinan and its salts (dextromethorphan). The term includes
26 the racemic and levorotatory forms of dextromethorphan.

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

29 ~~((+gg+))~~ (hh) "Person" means individual, corporation, business
30 trust, estate, trust, partnership, association, joint venture,
31 government, governmental subdivision or agency, or any other legal or
32 commercial entity.

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

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

36 ~~((+jj+))~~ (kk) "Practitioner" means:

37 (1) A physician under chapter 18.71 RCW; a physician assistant
38 under chapter 18.71A RCW; an osteopathic physician and surgeon under
39 chapter 18.57 RCW; an osteopathic physician assistant under chapter
40 18.57A RCW who is licensed under RCW 18.57A.020 subject to any

1 limitations in RCW 18.57A.040; an optometrist licensed under chapter
2 18.53 RCW who is certified by the optometry board under RCW 18.53.010
3 subject to any limitations in RCW 18.53.010; a dentist under chapter
4 18.32 RCW; a podiatric physician and surgeon under chapter 18.22 RCW;
5 a veterinarian under chapter 18.92 RCW; a registered nurse, advanced
6 registered nurse practitioner, or licensed practical nurse under
7 chapter 18.79 RCW; a naturopathic physician under chapter 18.36A RCW
8 who is licensed under RCW 18.36A.030 subject to any limitations in
9 RCW 18.36A.040; a pharmacist under chapter 18.64 RCW or a scientific
10 investigator under this chapter, licensed, registered or otherwise
11 permitted insofar as is consistent with those licensing laws to
12 distribute, dispense, conduct research with respect to or administer
13 a controlled substance in the course of their professional practice
14 or research in this state.

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

19 (3) A physician licensed to practice medicine and surgery, a
20 physician licensed to practice osteopathic medicine and surgery, a
21 dentist licensed to practice dentistry, a podiatric physician and
22 surgeon licensed to practice podiatric medicine and surgery, a
23 licensed physician assistant or a licensed osteopathic physician
24 assistant specifically approved to prescribe controlled substances by
25 his or her state's medical quality assurance commission or equivalent
26 and his or her supervising physician, an advanced registered nurse
27 practitioner licensed to prescribe controlled substances, or a
28 veterinarian licensed to practice veterinary medicine in any state of
29 the United States.

30 (~~(kk)~~) (ll) "Prescription" means an order for controlled
31 substances issued by a practitioner duly authorized by law or rule in
32 the state of Washington to prescribe controlled substances within the
33 scope of his or her professional practice for a legitimate medical
34 purpose.

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

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

39 (~~(nn)~~) (oo) "Recognition card" has the meaning provided in RCW
40 69.51A.010.

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

4 ~~((+pp+))~~ (qq) "Secretary" means the secretary of health or the
5 secretary's designee.

6 ~~((+qq+))~~ (rr) "State," unless the context otherwise requires,
7 means a state of the United States, the District of Columbia, the
8 Commonwealth of Puerto Rico, or a territory or insular possession
9 subject to the jurisdiction of the United States.

10 ~~((+rr+))~~ (ss) "THC concentration" means percent of delta-9
11 tetrahydrocannabinol content per dry weight of any part of the plant
12 *Cannabis*, or per volume or weight of marijuana product, or the
13 combined percent of delta-9 tetrahydrocannabinol and
14 tetrahydrocannabinolic acid in any part of the plant *Cannabis*
15 regardless of moisture content.

16 ~~((+ss+))~~ (tt) "Ultimate user" means an individual who lawfully
17 possesses a controlled substance for the individual's own use or for
18 the use of a member of the individual's household or for
19 administering to an animal owned by the individual or by a member of
20 the individual's household.

21 ~~((+tt+))~~ (uu) "Useable marijuana" means dried marijuana flowers.
22 The term "useable marijuana" does not include either marijuana-
23 infused products or marijuana concentrates.

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

26 The following acts, when performed by a validly licensed
27 marijuana producer or employee of a validly licensed marijuana
28 producer in compliance with rules adopted by the state liquor
29 ~~((+entrol+))~~ and cannabis board to implement and enforce this chapter
30 ~~((3, Laws of 2013))~~, do not constitute criminal or civil offenses
31 under Washington state law:

32 (1) Production or possession of quantities of marijuana that do
33 not exceed the maximum amounts established by the state liquor
34 ~~((+entrol+))~~ and cannabis board under RCW 69.50.345(3);

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

38 (3) Delivery, distribution, and sale of immature plants or clones
39 and marijuana seeds to a licensed marijuana researcher, and to

1 receive or purchase immature plants or clones and seeds from a
2 licensed marijuana researcher; and

3 (4) Delivery, distribution, and sale of marijuana or useable
4 marijuana to a federally recognized Indian tribe as permitted under
5 an agreement between the state and the tribe entered into under RCW
6 43.06.490.

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

9 (1) A licensed marijuana producer, marijuana processor, marijuana
10 researcher, or marijuana retailer, or their employees, in accordance
11 with the requirements of this chapter and the administrative rules
12 adopted thereunder, may use the services of a common carrier subject
13 to regulation under chapters 81.28 and 81.29 RCW and licensed in
14 compliance with the regulations established under RCW 69.50.385, to
15 physically transport or deliver, as authorized under this chapter,
16 marijuana, useable marijuana, marijuana concentrates, immature plants
17 or clones, marijuana seeds, and marijuana-infused products between
18 licensed marijuana businesses located within the state.

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

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

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

28 (c) The employee is in full compliance with the regulations
29 established by the state liquor and cannabis board under RCW
30 69.50.385.

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

35 (4) The possession of marijuana, useable marijuana, marijuana
36 concentrates, and marijuana-infused products being physically
37 transported or delivered within the state, in amounts not exceeding
38 those that may be established under RCW 69.50.385(3), by a licensed
39 employee of a common carrier when performing the duties authorized

1 under, and in accordance with, this section and RCW 69.50.385, is not
2 a violation of this section, this chapter, or any other provision of
3 Washington state law.

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

6 (1) Qualifying patients or designated providers may form a
7 cooperative and share responsibility for acquiring and supplying the
8 resources needed to produce and process marijuana only for the
9 medical use of members of the cooperative. No more than four
10 qualifying patients or designated providers may become members of a
11 cooperative under this section and all members must hold valid
12 recognition cards. All members of the cooperative must be at least
13 twenty-one years old. The designated provider of a qualifying patient
14 who is under twenty-one years old may be a member of a cooperative on
15 the qualifying patient's behalf. All plants grown in the cooperative
16 must be (~~((purchased or cloned))~~) from an immature plant or clone
17 purchased from a licensed marijuana producer as defined in RCW
18 69.50.101. Cooperatives may also purchase marijuana seeds from a
19 licensed marijuana producer.

20 (2) Qualifying patients and designated providers who wish to form
21 a cooperative must register the location with the state liquor and
22 cannabis board and this is the only location where cooperative
23 members may grow or process marijuana. This registration must include
24 the names of all participating members and copies of each
25 participant's recognition card. Only qualifying patients or
26 designated providers registered with the state liquor and cannabis
27 board in association with the location may participate in growing or
28 receive useable marijuana or marijuana-infused products grown at that
29 location.

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

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

32 (b) Within the smaller of either:

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

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

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

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

8 (5) If a qualifying patient or designated provider no longer
9 participates in growing at the location, he or she must notify the
10 state liquor and cannabis board within fifteen days of the date the
11 qualifying patient or designated provider ceases participation. The
12 state liquor and cannabis board must remove his or her name from
13 connection to the cooperative. Additional qualifying patients or
14 designated providers may not join the cooperative until sixty days
15 have passed since the date on which the last qualifying patient or
16 designated provider notifies the state liquor and cannabis board that
17 he or she no longer participates in that cooperative.

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

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

26 (b) May only participate in one cooperative;

27 (c) May only grow plants in the cooperative and if he or she
28 grows plants in the cooperative may not grow plants elsewhere;

29 (d) Must provide assistance in growing plants. A monetary
30 contribution or donation is not to be considered assistance under
31 this section. Participants must provide nonmonetary resources and
32 labor in order to participate; and

33 (e) May not sell, donate, or otherwise provide marijuana,
34 marijuana concentrates, useable marijuana, or marijuana-infused
35 products to a person who is not participating under this section.

36 (7) The location of the cooperative must be the domicile of one
37 of the participants. Only one cooperative may be located per property
38 tax parcel. A copy of each participant's recognition card must be
39 kept at the location at all times.

1 (8) The state liquor and cannabis board may adopt rules to
2 implement this section including:

3 (a) Any security requirements necessary to ensure the safety of
4 the cooperative and to reduce the risk of diversion from the
5 cooperative;

6 (b) A seed to sale traceability model that is similar to the seed
7 to sale traceability model used by licensees that will allow the
8 state liquor and cannabis board to track all marijuana grown in a
9 cooperative.

10 (9) The state liquor and cannabis board or law enforcement may
11 inspect a cooperative registered under this section to ensure members
12 are in compliance with this section. The state liquor and cannabis
13 board must adopt rules on reasonable inspection hours and reasons for
14 inspections.

15 NEW SECTION. **Sec. 9.** A new section is added to chapter 69.51A
16 RCW to read as follows:

17 Qualifying medical marijuana patients and designated providers
18 who have been issued an authorization form, as defined in RCW
19 69.51A.010, or who hold a recognition card, may purchase immature
20 plants or clones, or marijuana seeds, from a licensed marijuana
21 producer as defined in RCW 69.50.101.

22 **Sec. 10.** RCW 15.120.020 and 2016 sp.s. c 11 s 3 are each amended
23 to read as follows:

24 Except as otherwise provided in this chapter, industrial hemp is
25 an agricultural product that may be grown, produced, possessed,
26 processed, and exchanged in the state solely and exclusively as part
27 of an industrial hemp research program supervised by the department.
28 Processing any part of industrial hemp, except seed, as food,
29 extract, oil, cake, concentrate, resin, or other preparation for
30 topical use, oral consumption, or inhalation by humans is prohibited,
31 unless authorized by the department under section 11 of this act.

32 NEW SECTION. **Sec. 11.** A new section is added to chapter 15.120
33 RCW to read as follows:

34 (1) The department may allow a person holding an industrial hemp
35 license authorizing the licensee to grow, produce, possess, or
36 process industrial hemp to sell or transfer industrial hemp to a
37 marijuana processor licensed under chapter 69.50 RCW and the rules

1 adopted by the state liquor and cannabis board, for use by the
2 marijuana processor.

3 (2) A licensed marijuana processor is not required to obtain an
4 industrial hemp license from the department in order to possess or
5 process industrial hemp for the purposes authorized under this
6 section.

7 (3) A licensed marijuana processor may use any part of industrial
8 hemp obtained in accordance with this section. A licensee's use of
9 industrial hemp must comply with the requirements of chapter 69.50
10 RCW, the rules adopted by the state liquor and cannabis board, and
11 the rules adopted by the department of health for marijuana products.

12 (4) The department may adopt rules, in consultation with the
13 state liquor and cannabis board, to implement this section.

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

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

31 (1) Retail outlets may not sell products or services other than
32 marijuana concentrates, useable marijuana, marijuana-infused
33 products, or paraphernalia intended for the storage or use of
34 marijuana concentrates, useable marijuana, or marijuana-infused
35 products.

36 (2) Licensed marijuana retailers may not employ persons under
37 twenty-one years of age or allow persons under twenty-one years of
38 age to enter or remain on the premises of a retail outlet. However,

1 qualifying patients between eighteen and twenty-one years of age with
2 a recognition card may enter and remain on the premises of a retail
3 outlet holding a medical marijuana endorsement and may purchase
4 products for their personal medical use. Qualifying patients who are
5 under the age of eighteen with a recognition card and who accompany
6 their designated providers may enter and remain on the premises of a
7 retail outlet holding a medical marijuana endorsement, but may not
8 purchase products for their personal medical use.

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

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

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

32 ~~(5))~~ Except for the purposes of disposal as authorized by the
33 state liquor and cannabis board, no licensed marijuana retailer or
34 employee of a retail outlet may open or consume, or allow to be
35 opened or consumed, any marijuana concentrates, useable marijuana, or
36 marijuana-infused product on the outlet premises.

37 ~~((6))~~ (5) The state liquor and cannabis board must fine a
38 licensee one thousand dollars for each violation of any subsection of
39 this section. Fines collected under this section must be deposited
40 into the dedicated marijuana account created under RCW 69.50.530.

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

3 (1) No licensed marijuana producer, processor, researcher, or
4 retailer may place or maintain, or cause to be placed or maintained,
5 an advertisement of marijuana, useable marijuana, marijuana
6 concentrates, or a marijuana-infused product in any form or through
7 any medium whatsoever((÷

8 ~~(a))~~ within one thousand feet of the perimeter of a school
9 grounds, playground, recreation center or facility, child care
10 center, public park, or library, or any game arcade admission to
11 which is not restricted to persons aged twenty-one years or older((÷

12 ~~(b) On or in a public transit vehicle or public transit shelter;~~
13 ~~or~~

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

15 (2) A marijuana licensee may not utilize transit advertisements
16 for the purpose of advertising its business or product line. "Transit
17 advertisements" means advertising on or within private or public
18 vehicles and all advertisements placed at, on, or within any bus
19 stop, taxi stand, transportation waiting area, train station,
20 airport, or any similar transit-related location.

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

24 (4) A marijuana licensee may not:

25 (a) Take any action, directly or indirectly, to target youth in
26 the advertising, promotion, or marketing of marijuana and marijuana
27 products, or take any action the primary purpose of which is to
28 initiate, maintain, or increase the incidence of youth use of
29 marijuana or marijuana products;

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

35 (c) Use or employ a commercial mascot outside of, and in
36 proximity to, a licensed marijuana business. A "commercial mascot"
37 means live human being, animal, or mechanical device used for
38 attracting the attention of motorists and passersby so as to make
39 them aware of marijuana products or the presence of a marijuana
40 business. Commercial mascots include, but are not limited to, persons

1 in costume, or wearing or holding a sign with a marijuana-related
2 commercial message or image, where the intent is to draw attention to
3 a marijuana business or its products.

4 (5) A marijuana licensee may not engage in outdoor advertising
5 except as specifically provided for in this section.

6 (a) Outdoor advertising is prohibited:

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

12 (ii) On any other advertisements placed outdoors or on the inside
13 surface of a window facing outward that do not meet the exclusionary
14 provisions contained in (c) of this subsection.

15 (b)(i) Billboards that are visible from any street, road,
16 highway, right-of-way, or public parking area are prohibited, except
17 as provided in (b)(ii) of this subsection.

18 (ii) Licensed retail outlets may use a billboard or outdoor sign
19 solely for the purpose of identifying the name of the business, the
20 nature of the business, and providing the public with directional
21 information to the licensed retail outlet. The content of the
22 billboard or sign is strictly limited to the store's licensed name,
23 its logo, the type of business, and directions to the licensed retail
24 outlet. A billboard or sign may not contain any depictions of
25 marijuana plants or products.

26 (c) Outdoor advertising does not include:

27 (i) An individual advertisement that does not occupy an area
28 larger than two thousand four hundred square inches and that neither
29 is placed in such proximity to any other such advertisement so as to
30 create a single mosaic-type advertisement larger than two thousand
31 four hundred square inches, nor functions solely as a segment of a
32 larger advertising unit or series, and that is placed on the outside
33 of any licensed retail establishment that sells marijuana products,
34 outside but on the licensed premises of any such establishment, or on
35 the inside surface of a window facing outward in any such
36 establishment;

37 (ii) An advertisement inside a licensed retail establishment that
38 sells marijuana products that is not placed on the inside surface of
39 a window facing outward; or

1 (iii) An outdoor advertisement at the site of an event to be held
2 at an adult only facility that is placed at such site during the
3 period the facility or enclosed area constitutes an adult only
4 facility, but in no event more than fourteen days before the event,
5 and that does not advertise any marijuana product other than by using
6 a brand name to identify the event.

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

9 ~~((+3))~~ (7) This section does not apply to a noncommercial
10 message.

11 ~~((+4))~~ (8)(a) The state liquor and cannabis board must:

12 (i) Adopt rules implementing this section and specifically
13 including provisions regulating the billboards and outdoor signs
14 authorized under subsection (5)(b)(ii) of this section; and

15 (ii) Fine a licensee one thousand dollars for each violation of
16 ~~((subsection—(1)—of))~~ this section until the state liquor and
17 cannabis board adopts rules prescribing penalties for violations of
18 this section. The rules must establish escalating penalties including
19 finest and up to suspension or revocation of a marijuana license for
20 subsequent violations.

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

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

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

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

35 (2) Except as provided in RCW 69.50.4014, any person who violates
36 this section is guilty of a class C felony punishable under chapter
37 9A.20 RCW.

38 (3)(a) The possession, by a person twenty-one years of age or
39 older, of useable marijuana, marijuana concentrates, or marijuana-

1 infused products in amounts that do not exceed those set forth in RCW
2 69.50.360(3) is not a violation of this section, this chapter, or any
3 other provision of Washington state law.

4 (b) The possession of marijuana, useable marijuana, marijuana
5 concentrates, and marijuana-infused products being physically
6 transported or delivered within the state, in amounts not exceeding
7 those that may be established under RCW 69.50.385(3), by a licensed
8 employee of a common carrier when performing the duties authorized in
9 accordance with RCW 69.50.382 and 69.50.385, is not a violation of
10 this section, this chapter, or any other provision of Washington
11 state law.

12 (4) The delivery by a person twenty-one years of age or older to
13 one or more persons twenty-one years of age or older, during a
14 twenty-four hour period, for noncommercial purposes and not
15 conditioned upon or done in connection with the provision or receipt
16 of financial consideration, of any of the following marijuana
17 products, is not a violation of this section, this chapter, or any
18 other provisions of Washington state law:

19 (a) One-half ounce of useable marijuana;

20 (b) Eight ounces of marijuana-infused product in solid form;

21 (c) Thirty-six ounces of marijuana-infused product in liquid
22 form; or

23 (d) Three and one-half grams of marijuana concentrates.

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

28 ((+5)) (6) The possession by a qualifying patient or designated
29 provider of marijuana concentrates, useable marijuana, marijuana-
30 infused products, or plants in accordance with chapter 69.51A RCW is
31 not a violation of this section, this chapter, or any other provision
32 of Washington state law.

33 **Sec. 16.** RCW 69.07.010 and 1992 c 34 s 3 are each amended to
34 read as follows:

35 For the purposes of this chapter:

36 (1) "Department" means the department of agriculture of the state
37 of Washington;

38 (2) "Director" means the director of the department;

1 (3) "Food" means any substance used for food or drink by any
2 person, including ice, bottled water, and any ingredient used for
3 components of any such substance regardless of the quantity of such
4 component;

5 (4) "Sale" means selling, offering for sale, holding for sale,
6 preparing for sale, trading, bartering, offering a gift as an
7 inducement for sale of, and advertising for sale in any media;

8 (5) "Food processing" means the handling or processing of any
9 food in any manner in preparation for sale for human consumption:
10 PROVIDED, That it shall not include fresh fruit or vegetables merely
11 washed or trimmed while being prepared or packaged for sale in their
12 natural state;

13 (6) "Food processing plant" includes but is not limited to any
14 premises, plant, establishment, building, room, area, facilities and
15 the appurtenances thereto, in whole or in part, where food is
16 prepared, handled or processed in any manner for distribution or sale
17 for resale by retail outlets, restaurants, and any such other
18 facility selling or distributing to the ultimate consumer: PROVIDED,
19 That, as set forth herein, establishments processing foods in any
20 manner for resale shall be considered a food processing plant as to
21 such processing;

22 (7) "Food service establishment" shall mean any fixed or mobile
23 restaurant, coffee shop, cafeteria, short order cafe, luncheonette,
24 grill, tearoom, sandwich shop, soda fountain, tavern, bar, cocktail
25 lounge, night club, roadside stand, industrial-feeding establishment,
26 retail grocery, retail food market, retail meat market, retail
27 bakery, private, public, or nonprofit organization routinely serving
28 food, catering kitchen, commissary or similar place in which food or
29 drink is prepared for sale or for service on the premises or
30 elsewhere, and any other eating or drinking establishment or
31 operation where food is served or provided for the public with or
32 without charge.

33 For the purpose of this chapter any custom cannery or processing
34 plant where raw food products, food, or food products are processed
35 for the owner thereof, or the food processing facilities are made
36 available to the owners or persons in control of raw food products or
37 food or food products for processing in any manner, shall be
38 considered to be food processing plants;

39 (8) "Person" means an individual, partnership, corporation, or
40 association;

1 (9) "Board" means the state liquor and cannabis board;

2 (10) "Marijuana" has the meaning provided in RCW 69.50.101;

3 (11) "Marijuana-infused edible" means "marijuana-infused
4 products," which is defined in RCW 69.50.101, but limited to products
5 intended for oral consumption;

6 (12) "Marijuana-infused edible processing" means processing,
7 packaging, or making marijuana-infused edibles using marijuana,
8 marijuana extract, or marijuana concentrates as an ingredient. The
9 term does not include preparation of marijuana as an ingredient
10 including, but not limited to, processing marijuana extracts or
11 marijuana concentrates;

12 (13) "Marijuana processor" has the meaning provided in RCW
13 69.50.101.

14 **Sec. 17.** RCW 69.07.020 and 1969 c 68 s 1 are each amended to
15 read as follows:

16 (1) The department shall enforce and carry out the provisions of
17 this chapter, and may adopt the necessary rules to carry out its
18 purposes.

19 (2) Such rules may include:

20 (a) Standards for temperature controls in the storage of foods,
21 so as to provide proper refrigeration.

22 (b) Standards for temperatures at which low acid foods must be
23 processed and the length of time such temperatures must be applied
24 and at what pressure in the processing of such low acid foods.

25 (c) Standards and types of recording devices that must be used in
26 providing records of the processing of low acid foods, and how they
27 shall be made available to the department of agriculture for
28 inspection.

29 (d) Requirements for the keeping of records of the temperatures,
30 times and pressures at which foods were processed, or for the
31 temperatures at which refrigerated products were stored by the
32 licensee and the furnishing of such records to the department.

33 (e) Standards that must be used to establish the temperature and
34 purity of water used in the processing of foods.

35 (3) The department may adopt rules specific to marijuana-infused
36 edibles. The rules must be written and interpreted to be consistent
37 with rules adopted by the board and the department of health.

1 **Sec. 18.** RCW 19.02.110 and 2013 c 144 s 25 are each amended to
2 read as follows:

3 (1) In addition to the licenses processed under the business
4 licensing system prior to April 1, 1982, on July 1, 1982, use of the
5 business licensing system is expanded as provided by this section.

6 (2) Applications for the following must be filed with the
7 business licensing service and must be processed, and renewals must
8 be issued, under the business licensing system:

9 (a) Nursery dealer's licenses required by chapter 15.13 RCW;

10 (b) Seed dealer's licenses required by chapter 15.49 RCW;

11 (c) Pesticide dealer's licenses required by chapter 15.58 RCW;

12 (d) Shopkeeper's licenses required by chapter 18.64 RCW;

13 (e) Egg dealer's licenses required by chapter 69.25 RCW; and

14 (f) Marijuana-infused edible endorsements required by chapter
15 69.07 RCW.

16 NEW SECTION. **Sec. 19.** A new section is added to chapter 69.07
17 RCW to read as follows:

18 (1) In addition to the requirements administered by the board
19 under chapter 69.50 RCW, the department shall regulate marijuana-
20 infused edible processing the same as other food processing under
21 this chapter, except:

22 (a) The department shall not consider foods containing marijuana
23 to be adulterated when produced in compliance with chapter 69.50 RCW
24 and the rules adopted by the board;

25 (b) Initial issuance and renewal for an annual marijuana-infused
26 edible endorsement in lieu of a food processing license under RCW
27 69.07.040 must be made through the business licensing system under
28 chapter 19.02 RCW;

29 (c) Renewal of the endorsement must coincide with renewal of the
30 endorsement holder's marijuana processor license;

31 (d) The department shall adopt a penalty schedule specific to
32 marijuana processors, which may have values equivalent to the penalty
33 schedule adopted by the board. The penalties are in addition to any
34 penalties imposed under the penalty schedule adopted by the board;
35 and

36 (e) The department shall notify the board of violations by
37 marijuana processors under this chapter.

1 (2) A marijuana processor that processes, packages, or makes
2 marijuana-infused edibles must obtain an annual marijuana-infused
3 edible endorsement, as provided in this subsection (2).

4 (a) The marijuana processor must apply for issuance and renewal
5 for the endorsement from the department through the business
6 licensing system under chapter 19.02 RCW.

7 (b) The marijuana processor must have a valid marijuana processor
8 license before submitting an application for initial endorsement. The
9 application and initial endorsement fees total eight hundred ninety-
10 five dollars. Applicants for endorsement otherwise must meet the same
11 requirements as applicants for a food processing license under this
12 chapter including, but not limited to, successful completion of
13 inspection by the department.

14 (c) Annual renewal of the endorsement must coincide with renewal
15 of the endorsement holder's marijuana processor license. The
16 endorsement renewal fee is eight hundred ninety-five dollars.

17 (d) A marijuana processor must obtain a separate endorsement for
18 each location at which the marijuana processor intends to process
19 marijuana-infused edibles. Premises used for marijuana-infused edible
20 processing may not be used for processing food that does not use
21 marijuana as an ingredient, with the exception of edibles produced
22 solely for tasting samples or internal product testing.

23 (3) The department may deny, suspend, or revoke a marijuana-
24 infused edible endorsement on the same grounds as the department may
25 deny, suspend, or revoke a food processing license under this
26 chapter.

27 (4) Information about processors otherwise exempt from public
28 inspection and copying under chapter 42.56 RCW is also exempt from
29 public inspection and copying if submitted to or used by the
30 department.

31 NEW SECTION. **Sec. 20.** The department of agriculture, state
32 liquor and cannabis board, and department of revenue shall take the
33 necessary steps to ensure that section 19 of this act is implemented
34 on its effective date.

35 NEW SECTION. **Sec. 21.** The definitions in this section apply
36 throughout this chapter unless the context clearly requires
37 otherwise.

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

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

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

5 (4) "Marijuana processor" has the meaning provided in RCW
6 69.50.101.

7 (5) "Marijuana producer" has the meaning provided in RCW
8 69.50.101.

9 (6) "Marijuana products" has the meaning provided in RCW
10 69.50.101.

11 (7) "Marijuana retailer" has the meaning provided in RCW
12 69.50.101.

13 (8) "Person" means any natural person, firm, partnership,
14 association, private or public corporation, governmental entity, or
15 other business entity.

16 NEW SECTION. **Sec. 22.** (1) The department may adopt rules
17 establishing:

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

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

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

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

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

31 NEW SECTION. **Sec. 23.** (1) No marijuana or marijuana product may
32 be labeled, sold, or represented as produced or processed under the
33 standards established under this chapter unless produced or processed
34 by a person certified by the department under the program established
35 under this chapter.

36 (2) No person may represent, sell, or offer for sale any
37 marijuana or marijuana products as produced or processed under
38 standards adopted under this chapter if the person knows, or has

1 reason to know, that the marijuana or marijuana product has not been
2 produced or processed in conformance with the standards established
3 under this chapter.

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

7 NEW SECTION. **Sec. 24.** (1) The department may inspect licensee
8 facilities to verify compliance with this chapter and rules adopted
9 under it.

10 (2) The department may deny, suspend, or revoke a certification
11 provided for in this chapter if the department determines that an
12 applicant or certified person has violated this chapter or rules
13 adopted under it.

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

17 (a) The state's estimated costs of investigating and taking
18 appropriate administrative and enforcement actions for the violation;
19 and

20 (b) One thousand dollars.

21 (4) The board may take enforcement actions against a marijuana
22 producer, marijuana processor, or marijuana retailer license issued
23 by the board, including suspension or revocation of the license, when
24 a licensee continues to violate this chapter after revocation of its
25 certification or, if uncertified, receiving written notice from the
26 department of certification requirements.

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

29 NEW SECTION. **Sec. 25.** Information about marijuana producers,
30 marijuana processors, and marijuana retailers otherwise exempt from
31 public inspection and copying under chapter 42.56 RCW is also exempt
32 from public inspection and copying if submitted to or used by the
33 department.

34 NEW SECTION. **Sec. 26.** All fees collected under this chapter
35 must be deposited in an account within the agricultural local fund.
36 The revenue from the fees must be used solely for carrying out the

1 provisions of this chapter, and no appropriation is required for
2 disbursement from the fund.

3 NEW SECTION. **Sec. 27.** This act applies prospectively only and
4 not retroactively. It applies only to causes of action that arise (if
5 change is substantive) or that are commenced (if change is
6 procedural) on or after the effective date of this section.

7 NEW SECTION. **Sec. 28.** If any provision of this act or its
8 application to any person or circumstance is held invalid, the
9 remainder of the act or the application of the provision to other
10 persons or circumstances is not affected.

11 NEW SECTION. **Sec. 29.** Sections 21 through 26 of this act
12 constitute a new chapter in Title 15 RCW.

13 NEW SECTION. **Sec. 30.** Section 19 of this act takes effect April
14 1, 2018."

15 Correct the title.

EFFECT: The striking amendment has the following effects on the
Engrossed Substitute Senate Bill:

(1) Limits a marijuana retailer and his or her partners to
holding a collective total of not more than five retail marijuana
licenses;

(2) Requires that a retail marijuana licensee forfeit his or her
license if he or she fails to open a retail store within a specified
time period following the issuance of the license;

(3) Prohibits the state liquor and cannabis board (LCB) from
issuing a marijuana business license for premises located within
Indian country, including federal fee patent lands within the
perimeter of a tribal reservation, without the consent of the
federally recognized Indian tribe associated with the reservation or
Indian country;

(4) Strikes provisions authorizing a marijuana business licensee
to enter into specified types of business contracts or agreements
relating to trademarks, trade names, trade secrets, technology, or
proprietary information;

(5) Strikes provisions exempting specified types of marijuana-
related business information from disclosure under the Public Records
Act;

(6) Authorizes a medical marijuana patient holding either a
medical marijuana authorization or a recognition card to purchase
plants, clones, and seeds from a licensed marijuana producer;

(7) Revises and clarifies provisions authorizing an industrial
hemp licensee to sell or transfer industrial hemp to a licensed
marijuana processor;

(8) Prohibits a marijuana licensee from engaging in any advertising or marketing practice that specifically targets persons residing outside of the state of Washington;

(9) Clarifies provisions prohibiting marijuana-related advertising that targets children or youth, or that otherwise might encourage the purchase or consumption of marijuana by minors;

(10) Clarifies provisions related to outdoor advertising related to marijuana businesses and marijuana products, including billboards and other signage;

(11) Authorizes an adult to share limited quantities of marijuana products with other adults, provided such sharing is done for a noncommercial purpose and is not conditioned upon or done in connection with financial consideration of any kind;

(12) Creates a regulatory and licensing system, administered by the Washington state department of agriculture and the LCB, for the regulation of the production and processing of marijuana-infused edibles;

(13) Creates a voluntary program for the certification and regulation of organic marijuana products that is administered by the Washington state department of agriculture; and

(14) Requires the Liquor and Cannabis Board to collect demographic data regarding the race, ethnic background, and gender of the applicants for marijuana business licenses and those seeking renewal of such licenses.

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