

SSB 5131 - S AMD 95
By Senator Rivers

ADOPTED 03/07/2017

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

37 (1) For the purpose of considering any application for a license
38 to produce, process, research, transport, or deliver marijuana,
39 useable marijuana, marijuana concentrates, or marijuana-infused

1 products subject to the regulations established under RCW 69.50.385,
2 or sell marijuana, or for the renewal of a license to produce,
3 process, research, transport, or deliver marijuana, useable
4 marijuana, marijuana concentrates, or marijuana-infused products
5 subject to the regulations established under RCW 69.50.385, or sell
6 marijuana, the state liquor and cannabis board must conduct a
7 comprehensive, fair, and impartial evaluation of the applications
8 timely received.

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

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

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

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

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

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

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

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

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

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

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

35 ~~(b))~~ The state liquor and cannabis board may cause an inspection
36 of the premises to be made, and may inquire into all matters in
37 connection with the construction and operation of the premises. For
38 the purpose of reviewing any application for a license and for
39 considering the denial, suspension, revocation, or renewal or denial
40 thereof, of any license, the state liquor and cannabis board may

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

22 ((+e)) (b) No license of any kind may be issued to:

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

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

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

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

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

1 (b) The state liquor and cannabis board must immediately suspend
2 the license of a person who has been certified pursuant to RCW
3 74.20A.320 by the department of social and health services as a
4 person who is not in compliance with a support order. If the person
5 has continued to meet all other requirements for reinstatement during
6 the suspension, reissuance of the license is automatic upon the state
7 liquor and cannabis board's receipt of a release issued by the
8 department of social and health services stating that the licensee is
9 in compliance with the order.

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

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

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

33 (3) Upon receipt of notice of the suspension or cancellation of a
34 license, the licensee must forthwith deliver up the license to the
35 state liquor and cannabis board. Where the license has been suspended
36 only, the state liquor and cannabis board must return the license to
37 the licensee at the expiration or termination of the period of
38 suspension. The state liquor and cannabis board must notify all other
39 licensees in the county where the subject licensee has its premises
40 of the suspension or cancellation of the license; and no other

1 licensee or employee of another licensee may allow or cause any
2 marijuana, marijuana concentrates, useable marijuana, or marijuana-
3 infused products to be delivered to or for any person at the premises
4 of the subject licensee.

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

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

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

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

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

38 (c) The written objections must include a statement of all facts
39 upon which the objections are based, and in case written objections
40 are filed, the city or town or county legislative authority may

1 request, and the state liquor and cannabis board may in its
2 discretion hold, a hearing subject to the applicable provisions of
3 Title 34 RCW. If the state liquor and cannabis board makes an initial
4 decision to deny a license or renewal based on the written objections
5 of an incorporated city or town or county legislative authority, the
6 applicant may request a hearing subject to the applicable provisions
7 of Title 34 RCW. If a hearing is held at the request of the
8 applicant, state liquor and cannabis board representatives must
9 present and defend the state liquor and cannabis board's initial
10 decision to deny a license or renewal.

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

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

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

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

39 (d) The state liquor and cannabis board may license premises
40 located in compliance with the distance requirements set in an

1 ordinance adopted under (b) or (c) of this subsection. Before issuing
2 or renewing a research license for premises within one thousand feet
3 but not less than one hundred feet of an elementary school, secondary
4 school, or playground in compliance with an ordinance passed pursuant
5 to (c) of this subsection, the board must ensure that the facility:

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

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

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

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

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

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

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

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

5 (b) To conduct clinical investigations of marijuana-derived drug
6 products;

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

9 (d) To conduct genomic or agricultural research.

10 (2) As part of the application process for a marijuana research
11 license, an applicant must submit to the liquor and cannabis board's
12 designated scientific reviewer a description of the research that is
13 intended to be conducted. The liquor and cannabis board must select a
14 scientific reviewer to review an applicant's research project and
15 determine that it meets the requirements of subsection (1) of this
16 section, as well as assess the following:

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

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

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

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

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

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

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

38 (a) Application requirements;

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

1 (c) Conditions for license revocation;

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

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

6 (f) Licensee reporting requirements;

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

10 (h) Additional requirements deemed necessary by the liquor and
11 cannabis board.

12 (6) The production, processing, possession, delivery, donation,
13 and sale of marijuana, including immature plants or clones and seeds,
14 in accordance with this section, RCW 69.50.366(3), and the rules
15 adopted to implement and enforce ~~((it))~~ this section and RCW
16 69.50.366(3), by a validly licensed marijuana researcher, shall not
17 be a criminal or civil offense under Washington state law. Every
18 marijuana research license must be issued in the name of the
19 applicant, must specify the location at which the marijuana
20 researcher intends to operate, which must be within the state of
21 Washington, and the holder thereof may not allow any other person to
22 use the license.

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

28 (8) The scientific reviewer shall review any reports made by
29 marijuana research licensees under liquor and cannabis board rule and
30 provide the liquor and cannabis board with its determination on
31 whether the research project continues to meet research
32 qualifications under this section.

33 (9) For the purposes of this section, "scientific reviewer" means
34 an organization that convenes or contracts with persons who have the
35 training and experience in research practice and research methodology
36 to determine whether a project meets the criteria for a marijuana
37 research license under this section and to review any reports
38 submitted by marijuana research licensees under liquor and cannabis
39 board rule. "Scientific reviewers" include, but are not limited to,
40 educational institutions, research institutions, peer review bodies,

1 or such other organizations that are focused on science or research
2 in its day-to-day activities.

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

5 No court of the state of Washington other than the superior court
6 of Thurston county shall have jurisdiction over any action or
7 proceeding against the board or any member thereof for anything done
8 or omitted to be done in or arising out of the performance of his or
9 her or their duties under this title. Neither the board nor any
10 member or members thereof shall be personally liable in any action at
11 law for damages sustained by any person because of any acts performed
12 or done or omitted to be done by the board or any employee of the
13 board in the performance of his or her duties and in the
14 administration of this title or chapter 69.50 or 69.51A RCW.

15 NEW SECTION. **Sec. 5.** A new section is added to chapter 69.50
16 RCW to read as follows:

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

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

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

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

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

30 **Sec. 6.** RCW 42.56.270 and 2016 sp.s. c 9 s 3, 2016 sp.s. c 8 s
31 1, and 2016 c 178 s 1 are each reenacted and amended to read as
32 follows:

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

35 (1) Valuable formulae, designs, drawings, computer source code or
36 object code, and research data obtained by any agency within five

1 years of the request for disclosure when disclosure would produce
2 private gain and public loss;

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

8 (3) Financial and commercial information and records supplied by
9 private persons pertaining to export services provided under chapters
10 43.163 and 53.31 RCW, and by persons pertaining to export projects
11 under RCW 43.23.035;

12 (4) Financial and commercial information and records supplied by
13 businesses or individuals during application for loans or program
14 services provided by chapters 43.325, 43.163, 43.160, 43.330, and
15 43.168 RCW, or during application for economic development loans or
16 program services provided by any local agency;

17 (5) Financial information, business plans, examination reports,
18 and any information produced or obtained in evaluating or examining a
19 business and industrial development corporation organized or seeking
20 certification under chapter 31.24 RCW;

21 (6) Financial and commercial information supplied to the state
22 investment board by any person when the information relates to the
23 investment of public trust or retirement funds and when disclosure
24 would result in loss to such funds or in private loss to the
25 providers of this information;

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

27 (8) Financial, commercial, operations, and technical and research
28 information and data submitted to or obtained by the clean Washington
29 center in applications for, or delivery of, program services under
30 chapter 70.95H RCW;

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

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

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

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

13 (12)(a) When supplied to and in the records of the department of
14 commerce:

15 (i) Financial and proprietary information collected from any
16 person and provided to the department of commerce pursuant to RCW
17 43.330.050(8); and

18 (ii) Financial or proprietary information collected from any
19 person and provided to the department of commerce or the office of
20 the governor in connection with the siting, recruitment, expansion,
21 retention, or relocation of that person's business and until a siting
22 decision is made, identifying information of any person supplying
23 information under this subsection and the locations being considered
24 for siting, relocation, or expansion of a business;

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

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

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

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

38 (14) Financial, commercial, operations, and technical and
39 research information and data submitted to or obtained by the life
40 sciences discovery fund authority in applications for, or delivery

1 of, grants under chapter 43.350 RCW, to the extent that such
2 information, if revealed, would reasonably be expected to result in
3 private loss to the providers of this information;

4 (15) Financial and commercial information provided as evidence to
5 the department of licensing as required by RCW 19.112.110 or
6 19.112.120, except information disclosed in aggregate form that does
7 not permit the identification of information related to individual
8 fuel licensees;

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

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

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

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

25 (19) Information gathered under chapter 19.85 RCW or RCW
26 34.05.328 that can be identified to a particular business;

27 (20) Financial and commercial information submitted to or
28 obtained by the University of Washington, other than information the
29 university is required to disclose under RCW 28B.20.150, when the
30 information relates to investments in private funds, to the extent
31 that such information, if revealed, would reasonably be expected to
32 result in loss to the University of Washington consolidated endowment
33 fund or to result in private loss to the providers of this
34 information;

35 (21) Market share data submitted by a manufacturer under RCW
36 70.95N.190(4);

37 (22) Financial information supplied to the department of
38 financial institutions or to a portal under RCW 21.20.883, when filed
39 by or on behalf of an issuer of securities for the purpose of
40 obtaining the exemption from state securities registration for small

1 securities offerings provided under RCW 21.20.880 or when filed by or
2 on behalf of an investor for the purpose of purchasing such
3 securities;

4 (23) Unaggregated or individual notices of a transfer of crude
5 oil that is financial, proprietary, or commercial information,
6 submitted to the department of ecology pursuant to RCW
7 90.56.565(1)(a), and that is in the possession of the department of
8 ecology or any entity with which the department of ecology has shared
9 the notice pursuant to RCW 90.56.565;

10 (24) Financial institution and retirement account information,
11 and building security plan information, supplied to the liquor and
12 cannabis board pursuant to RCW 69.50.325, 69.50.331, 69.50.342, and
13 69.50.345, when filed by or on behalf of a licensee or prospective
14 licensee for the purpose of obtaining, maintaining, or renewing a
15 license to produce, process, transport, or sell marijuana as allowed
16 under chapter 69.50 RCW; ((and))

17 (25) Marijuana transport information, vehicle and driver
18 identification data, and account numbers or unique access identifiers
19 issued to private entities for traceability system access, submitted
20 by an individual or business to the liquor and cannabis board under
21 the requirements of RCW 69.50.325, 69.50.331, 69.50.342, and
22 69.50.345 for the purpose of marijuana product traceability.
23 Disclosure to local, state, and federal officials is not considered
24 public disclosure for purposes of this section; ((and))

25 (26) Financial and commercial information submitted to or
26 obtained by the retirement board of any city that is responsible for
27 the management of an employees' retirement system pursuant to the
28 authority of chapter 35.39 RCW, when the information relates to
29 investments in private funds, to the extent that such information, if
30 revealed, would reasonably be expected to result in loss to the
31 retirement fund or to result in private loss to the providers of this
32 information except that (a) the names and commitment amounts of the
33 private funds in which retirement funds are invested and (b) the
34 aggregate quarterly performance results for a retirement fund's
35 portfolio of investments in such funds are subject to disclosure;
36 ((and))

37 (27) Proprietary financial, commercial, operations, and technical
38 and research information and data submitted to or obtained by the
39 liquor and cannabis board in applications for marijuana research
40 licenses under RCW 69.50.372, or in reports submitted by marijuana

1 research licensees in accordance with rules adopted by the liquor and
2 cannabis board under RCW 69.50.372; and

3 (28) Trade secrets, technology, proprietary information, and
4 financial considerations contained in any agreements or contracts,
5 entered into by a licensed marijuana business under section 5 of this
6 act, which may be submitted to or obtained by the state liquor and
7 cannabis board.

8 **Sec. 7.** RCW 69.50.101 and 2015 2nd sp.s. c 4 s 901 are each
9 reenacted and amended to read as follows:

10 The definitions in this section apply throughout this chapter
11 unless the context clearly requires otherwise.

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

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

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

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

23 (c) "CBD concentration" has the meaning provided in RCW
24 69.51A.010.

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

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

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

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

36 (ii) with respect to a particular individual, that the individual
37 represents or intends to have a stimulant, depressant, or
38 hallucinogenic effect on the central nervous system substantially
39 similar to the stimulant, depressant, or hallucinogenic effect on the

1 central nervous system of a controlled substance included in Schedule
2 I or II.

3 (2) The term does not include:

4 (i) a controlled substance;

5 (ii) a substance for which there is an approved new drug
6 application;

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

12 (iv) any substance to the extent not intended for human
13 consumption before an exemption takes effect with respect to the
14 substance.

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

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

19 (i) "Designated provider" has the meaning provided in RCW
20 69.51A.010.

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

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

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

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

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

1 (o) "Drug enforcement administration" means the drug enforcement
2 administration in the United States Department of Justice, or its
3 successor agency.

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

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

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

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

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

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

20 (~~(r)~~) (s) "Isomer" means an optical isomer, but in subsection
21 (~~(d)~~) (e)(5) of this section, RCW 69.50.204(a) (12) and (34), and
22 69.50.206(b)(4), the term includes any geometrical isomer; in RCW
23 69.50.204(a) (8) and (42), and 69.50.210(c) the term includes any
24 positional isomer; and in RCW 69.50.204(a)(35), 69.50.204(c), and
25 69.50.208(a) the term includes any positional or geometric isomer.

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

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

36 (~~(u)~~) (v) "Manufacture" means the production, preparation,
37 propagation, compounding, conversion, or processing of a controlled
38 substance, either directly or indirectly or by extraction from
39 substances of natural origin, or independently by means of chemical
40 synthesis, or by a combination of extraction and chemical synthesis,

1 and includes any packaging or repackaging of the substance or
2 labeling or relabeling of its container. The term does not include
3 the preparation, compounding, packaging, repackaging, labeling, or
4 relabeling of a controlled substance:

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

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

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

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

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

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

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

39 ~~((aa))~~ (bb) "Marijuana researcher" means a person licensed by
40 the state liquor and cannabis board to produce, process, and possess

1 marijuana for the purposes of conducting research on marijuana and
2 marijuana-derived drug products.

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

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

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

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

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

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

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

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

31 (6) Cocaine base.

32 (7) Ecgonine, or any derivative, salt, isomer, or salt of isomer
33 thereof.

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

36 ~~((ee))~~ (ff) "Opiate" means any substance having an addiction-
37 forming or addiction-sustaining liability similar to morphine or
38 being capable of conversion into a drug having addiction-forming or
39 addiction-sustaining liability. The term includes opium, substances
40 derived from opium (opium derivatives), and synthetic opiates. The

1 term does not include, unless specifically designated as controlled
2 under RCW 69.50.201, the dextrorotatory isomer of 3-methoxy-n-
3 methylmorphinan and its salts (dextromethorphan). The term includes
4 the racemic and levorotatory forms of dextromethorphan.

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

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

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

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

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

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

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

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

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

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

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

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

17 ~~((nn))~~ (oo) "Recognition card" has the meaning provided in RCW
18 69.51A.010.

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

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

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

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

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

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

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

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

10 (c) The employee is in full compliance with the regulations
11 established by the state liquor and cannabis board under RCW
12 69.50.385.

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

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

25 **Sec. 10.** RCW 69.51A.250 and 2016 c 170 s 2 are each amended to
26 read as follows:

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

1 69.50.101. Cooperatives may also purchase marijuana seeds from a
2 licensed marijuana producer.

3 (2) Qualifying patients and designated providers who wish to form
4 a cooperative must register the location with the state liquor and
5 cannabis board and this is the only location where cooperative
6 members may grow or process marijuana. This registration must include
7 the names of all participating members and copies of each
8 participant's recognition card. Only qualifying patients or
9 designated providers registered with the state liquor and cannabis
10 board in association with the location may participate in growing or
11 receive useable marijuana or marijuana-infused products grown at that
12 location.

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

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

15 (b) Within the smaller of either:

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

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

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

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

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

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

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

7 (b) May only participate in one cooperative;

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

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

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

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

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

23 (a) Any security requirements necessary to ensure the safety of
24 the cooperative and to reduce the risk of diversion from the
25 cooperative;

26 (b) A seed to sale traceability model that is similar to the seed
27 to sale traceability model used by licensees that will allow the
28 state liquor and cannabis board to track all marijuana grown in a
29 cooperative.

30 (9) The state liquor and cannabis board or law enforcement may
31 inspect a cooperative registered under this section to ensure members
32 are in compliance with this section. The state liquor and cannabis
33 board must adopt rules on reasonable inspection hours and reasons for
34 inspections.

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

37 Qualifying patients and designated providers, who hold a
38 recognition card and have been entered into the medical marijuana
39 authorization database, may purchase immature plants or clones from a

1 licensed marijuana producer as defined in RCW 69.50.101. Qualifying
2 patients and designated providers may also purchase marijuana seeds
3 from a licensed marijuana producer.

4 **Sec. 12.** RCW 15.120.020 and 2016 sp.s. c 11 s 3 are each amended
5 to read as follows:

6 Except as otherwise provided in this chapter, industrial hemp is
7 an agricultural product that may be grown, produced, possessed,
8 processed, and exchanged in the state solely and exclusively as part
9 of an industrial hemp research program supervised by the department.
10 Processing any part of industrial hemp, except seed, as food,
11 extract, oil, cake, concentrate, resin, or other preparation for
12 topical use, oral consumption, or inhalation by humans is prohibited,
13 unless authorized by the department under section 13 of this act.

14 NEW SECTION. **Sec. 13.** A new section is added to chapter 15.120
15 RCW to read as follows:

16 (1) The department may authorize an industrial hemp research
17 program to dispose of the industrial hemp by-product and waste
18 material, after the research has been conducted, by selling these
19 materials to a marijuana processor licensed under RCW 69.50.325. The
20 moneys collected under this section must be deposited within the
21 agricultural local fund as provided in RCW 15.120.050(5).

22 (2) The department may adopt rules, in consultation with the
23 state liquor and cannabis board, to implement this section.

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

SSB 5131 - S AMD 95
By Senator Rivers

ADOPTED 03/07/2017

28 On page 1, line 1 of the title, after "Relating to" strike the
29 remainder of the title and insert "marijuana with respect to
30 privileges for research licenses, local authority notifications, the
31 retail licensing merit-based application process, certain transfers

1 of plants and seeds, licensing agreements and contracts, and
2 jurisdictional requirements; amending RCW 69.50.325, 69.50.331,
3 69.50.372, 66.08.100, 69.50.366, 69.50.382, 69.51A.250, and
4 15.120.020; reenacting and amending RCW 42.56.270 and 69.50.101;
5 adding a new section to chapter 69.50 RCW; adding a new section to
6 chapter 69.51A RCW; adding a new section to chapter 15.120 RCW; and
7 creating a new section."

EFFECT: Restores the current law allowing a marijuana processor to process, package, and label marijuana products for sale at wholesale to other marijuana processors. Strikes the new provisions regarding out-of-state ownership. Authorizes an industrial hemp research program to dispose of the industrial hemp by-product and waste material, after the research has been conducted, by selling these materials to a licensed marijuana processor.

--- END ---