
HOUSE BILL 1858

State of Washington

65th Legislature

2017 Regular Session

By Representatives Sawyer, Appleton, and Kloba; by request of Liquor and Cannabis Board

Read first time 02/01/17. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to increasing marijuana license fees and adding a
2 temporary additional fee on marijuana licenses issued by the
3 Washington state liquor and cannabis board; amending RCW 69.50.325
4 and 69.50.372; creating a new section; providing an effective date;
5 and providing an expiration date.

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

7 NEW SECTION. **Sec. 1.** (1) Beginning on the effective date of
8 this section, a nonrefundable additional fee is imposed on all
9 applications and renewals of licenses relating to marijuana required
10 under chapter 69.50 RCW. The fee applies to all applications and
11 license modifications received on or after the effective date of this
12 section and renewals where the date of the license expiration is on
13 or after June 30, 2017. The fee is four hundred eighty dollars. This
14 fee is to be used for the replacement of the state liquor and
15 cannabis board's traceability system.

16 (2) This section expires June 30, 2018.

17 **Sec. 2.** RCW 69.50.325 and 2016 c 170 s 1 are each amended to
18 read as follows:

19 (1) There shall be a marijuana producer's license to produce
20 marijuana for sale at wholesale to marijuana processors and other

1 marijuana producers and to produce marijuana plants for sale to
2 cooperatives as described under RCW 69.51A.250, regulated by the
3 state liquor and cannabis board and subject to annual renewal. The
4 production, possession, delivery, distribution, and sale of marijuana
5 in accordance with the provisions of this chapter and the rules
6 adopted to implement and enforce it, by a validly licensed marijuana
7 producer, shall not be a criminal or civil offense under Washington
8 state law. Every marijuana producer's license shall be issued in the
9 name of the applicant, shall specify the location at which the
10 marijuana producer intends to operate, which must be within the state
11 of Washington, and the holder thereof shall not allow any other
12 person to use the license. The application fee for a marijuana
13 producer's license shall be two hundred fifty dollars. The annual fee
14 for issuance and renewal of a marijuana producer's license shall be
15 one thousand three hundred dollars. A separate license shall be
16 required for each location at which a marijuana producer intends to
17 produce marijuana.

18 (2) There shall be a marijuana processor's license to process,
19 package, and label marijuana concentrates, useable marijuana, and
20 marijuana-infused products for sale at wholesale to marijuana
21 processors and marijuana retailers, regulated by the state liquor and
22 cannabis board and subject to annual renewal. The processing,
23 packaging, possession, delivery, distribution, and sale of marijuana,
24 useable marijuana, marijuana-infused products, and marijuana
25 concentrates in accordance with the provisions of this chapter and
26 chapter 69.51A RCW and the rules adopted to implement and enforce
27 these chapters, by a validly licensed marijuana processor, shall not
28 be a criminal or civil offense under Washington state law. Every
29 marijuana processor's license shall be issued in the name of the
30 applicant, shall specify the location at which the licensee intends
31 to operate, which must be within the state of Washington, and the
32 holder thereof shall not allow any other person to use the license.
33 The application fee for a marijuana processor's license shall be two
34 hundred fifty dollars. The annual fee for issuance and renewal of a
35 marijuana processor's license shall be one thousand three hundred
36 dollars. A separate license shall be required for each location at
37 which a marijuana processor intends to process marijuana.

38 (3) There shall be a marijuana retailer's license to sell
39 marijuana concentrates, useable marijuana, and marijuana-infused
40 products at retail in retail outlets, regulated by the state liquor

1 and cannabis board and subject to annual renewal. The possession,
2 delivery, distribution, and sale of marijuana concentrates, useable
3 marijuana, and marijuana-infused products in accordance with the
4 provisions of this chapter and the rules adopted to implement and
5 enforce it, by a validly licensed marijuana retailer, shall not be a
6 criminal or civil offense under Washington state law. Every marijuana
7 retailer's license shall be issued in the name of the applicant,
8 shall specify the location of the retail outlet 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 retailer's license shall be two
12 hundred fifty dollars. The annual fee for issuance and renewal of a
13 marijuana retailer's license shall be one thousand three hundred
14 dollars. A separate license shall be required for each location at
15 which a marijuana retailer intends to sell marijuana concentrates,
16 useable marijuana, and marijuana-infused products.

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

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

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

23 (b) To conduct clinical investigations of marijuana-derived drug
24 products;

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

27 (d) To conduct genomic or agricultural research.

28 (2) As part of the application process for a marijuana research
29 license, an applicant must submit to the liquor and cannabis board's
30 designated scientific reviewer a description of the research that is
31 intended to be conducted. The liquor and cannabis board must select a
32 scientific reviewer to review an applicant's research project and
33 determine that it meets the requirements of subsection (1) of this
34 section, as well as assess the following:

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

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

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

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

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

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

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

18 (a) Application requirements;

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

21 (c) Conditions for license revocation;

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

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

26 (f) Licensee reporting requirements;

27 (g) Conditions under which marijuana grown by marijuana
28 processors may be donated to marijuana research licensees; and

29 (h) Additional requirements deemed necessary by the liquor and
30 cannabis board.

31 (6) The production, processing, possession, delivery, donation,
32 and sale of marijuana in accordance with this section and the rules
33 adopted to implement and enforce it, by a validly licensed marijuana
34 researcher, shall not be a criminal or civil offense under Washington
35 state law. Every marijuana research license must be issued in the
36 name of the applicant, must specify the location at which the
37 marijuana researcher intends to operate, which must be within the
38 state of Washington, and the holder thereof may not allow any other
39 person to use the license.

1 (7) The application fee for a marijuana research license is two
2 hundred fifty dollars. The annual fee for issuance and renewal of a
3 marijuana research license is one thousand three hundred dollars. The
4 applicant must pay the cost of the review process directly to the
5 scientific reviewer as designated by the liquor and cannabis board.

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

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

21 NEW SECTION. **Sec. 4.** Sections 2 and 3 of this act take effect
22 July 1, 2018.

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