

CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE HOUSE BILL 2304

Chapter 192, Laws of 2014

63rd Legislature
2014 Regular Session

MARIJUANA--PROCESSING--RETAIL LICENSES

EFFECTIVE DATE: 06/12/14

Passed by the House March 13, 2014
Yeas 91 Nays 7

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate March 13, 2014
Yeas 42 Nays 7

BRAD OWEN

President of the Senate

Approved April 2, 2014, 3:52 p.m.

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 2304** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

April 4, 2014

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 2304

Passed Legislature - 2014 Regular Session

State of Washington

63rd Legislature

2014 Regular Session

By House Government Accountability & Oversight (originally sponsored by Representative Moscoso; by request of Liquor Control Board)

READ FIRST TIME 02/05/14.

1 AN ACT Relating to marijuana processing and retail licenses;
2 amending RCW 69.50.325, 69.50.354, 69.50.357, 69.50.360, 42.56.270, and
3 69.50.535; and reenacting and amending RCW 69.50.101.

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

5 **Sec. 1.** RCW 69.50.101 and 2013 c 276 s 2 and 2013 c 116 s 1 are
6 each reenacted and amended to read as follows:

7 Unless the context clearly requires otherwise, definitions of terms
8 shall be as indicated where used in this chapter:

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

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

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

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

1 (c) (~~"Board"~~) "Commission" means the (~~(state board of)~~) pharmacy
2 quality assurance commission.

3 (d) "Controlled substance" means a drug, substance, or immediate
4 precursor included in Schedules I through V as set forth in federal or
5 state laws, or federal or (~~board~~) commission rules.

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

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

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

19 (2) The term does not include:

20 (i) a controlled substance;

21 (ii) a substance for which there is an approved new drug
22 application;

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

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

29 (f) "Deliver" or "delivery," means the actual or constructive
30 transfer from one person to another of a substance, whether or not
31 there is an agency relationship.

32 (g) "Department" means the department of health.

33 (h) "Dispense" means the interpretation of a prescription or order
34 for a controlled substance and, pursuant to that prescription or order,
35 the proper selection, measuring, compounding, labeling, or packaging
36 necessary to prepare that prescription or order for delivery.

37 (i) "Dispenser" means a practitioner who dispenses.

1 (j) "Distribute" means to deliver other than by administering or
2 dispensing a controlled substance.

3 (k) "Distributor" means a person who distributes.

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

15 (m) "Drug enforcement administration" means the drug enforcement
16 administration in the United States Department of Justice, or its
17 successor agency.

18 (n) "Electronic communication of prescription information" means
19 the transmission of a prescription or refill authorization for a drug
20 of a practitioner using computer systems. The term does not include a
21 prescription or refill authorization verbally transmitted by telephone
22 nor a facsimile manually signed by the practitioner.

23 (o) "Immediate precursor" means a substance:

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

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

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

32 (p) "Isomer" means an optical isomer, but in subsection (~~(y)~~)
33 (z)(5) of this section, RCW 69.50.204(a) (12) and (34), and
34 69.50.206(b)(4), the term includes any geometrical isomer; in RCW
35 69.50.204(a) (8) and (42), and 69.50.210(c) the term includes any
36 positional isomer; and in RCW 69.50.204(a)(35), 69.50.204(c), and
37 69.50.208(a) the term includes any positional or geometric isomer.

1 (q) "Lot" means a definite quantity of marijuana, useable
2 marijuana, or marijuana-infused product identified by a lot number,
3 every portion or package of which is uniform within recognized
4 tolerances for the factors that appear in the labeling.

5 (r) "Lot number" shall identify the licensee by business or trade
6 name and Washington state unified business identifier number, and the
7 date of harvest or processing for each lot of marijuana, useable
8 marijuana, or marijuana-infused product.

9 (s) "Manufacture" means the production, preparation, propagation,
10 compounding, conversion, or processing of a controlled substance,
11 either directly or indirectly or by extraction from substances of
12 natural origin, or independently by means of chemical synthesis, or by
13 a combination of extraction and chemical synthesis, and includes any
14 packaging or repackaging of the substance or labeling or relabeling of
15 its container. The term does not include the preparation, compounding,
16 packaging, repackaging, labeling, or relabeling of a controlled
17 substance:

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

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

24 (t) "Marijuana" or "marihuana" means all parts of the plant
25 Cannabis, whether growing or not, with a THC concentration greater than
26 0.3 percent on a dry weight basis; the seeds thereof; the resin
27 extracted from any part of the plant; and every compound, manufacture,
28 salt, derivative, mixture, or preparation of the plant, its seeds or
29 resin. The term does not include the mature stalks of the plant, fiber
30 produced from the stalks, oil or cake made from the seeds of the plant,
31 any other compound, manufacture, salt, derivative, mixture, or
32 preparation of the mature stalks (except the resin extracted
33 therefrom), fiber, oil, or cake, or the sterilized seed of the plant
34 which is incapable of germination.

35 (u) "Marijuana concentrates" means products consisting wholly or in
36 part of the resin extracted from any part of the plant Cannabis and
37 having a THC concentration greater than sixty percent.

1 (v) "Marijuana processor" means a person licensed by the state
2 liquor control board to process marijuana into useable marijuana and
3 marijuana-infused products, package and label useable marijuana and
4 marijuana-infused products for sale in retail outlets, and sell useable
5 marijuana and marijuana-infused products at wholesale to marijuana
6 retailers.

7 ~~((v))~~ (w) "Marijuana producer" means a person licensed by the
8 state liquor control board to produce and sell marijuana at wholesale
9 to marijuana processors and other marijuana producers.

10 ~~((w))~~ (x) "Marijuana-infused products" means products that
11 contain marijuana or marijuana extracts ~~((and))~~ are intended for human
12 use, and have a THC concentration greater than 0.3 percent and no
13 greater than sixty percent. The term "marijuana-infused products" does
14 not include either useable marijuana or marijuana concentrates.

15 ~~((x))~~ (y) "Marijuana retailer" means a person licensed by the
16 state liquor control board to sell useable marijuana and marijuana-
17 infused products in a retail outlet.

18 ~~((y))~~ (z) "Narcotic drug" means any of the following, whether
19 produced directly or indirectly by extraction from substances of
20 vegetable origin, or independently by means of chemical synthesis, or
21 by a combination of extraction and chemical synthesis:

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

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

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

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

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

36 (6) Cocaine base.

37 (7) Ecgonine, or any derivative, salt, isomer, or salt of isomer
38 thereof.

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

3 ~~((z))~~ (aa) "Opiate" means any substance having an addiction-
4 forming or addiction-sustaining liability similar to morphine or being
5 capable of conversion into a drug having addiction-forming or
6 addiction-sustaining liability. The term includes opium, substances
7 derived from opium (opium derivatives), and synthetic opiates. The
8 term does not include, unless specifically designated as controlled
9 under RCW 69.50.201, the dextrorotatory isomer of 3-methoxy-n-
10 methylmorphinan and its salts (dextromethorphan). The term includes
11 the racemic and levorotatory forms of dextromethorphan.

12 ~~((aa))~~ (bb) "Opium poppy" means the plant of the species *Papaver*
13 *somniferum* L., except its seeds.

14 ~~((bb))~~ (cc) "Person" means individual, corporation, business
15 trust, estate, trust, partnership, association, joint venture,
16 government, governmental subdivision or agency, or any other legal or
17 commercial entity.

18 ~~((ee))~~ (dd) "Poppy straw" means all parts, except the seeds, of
19 the opium poppy, after mowing.

20 ~~((dd))~~ (ee) "Practitioner" means:

21 (1) A physician under chapter 18.71 RCW; a physician assistant
22 under chapter 18.71A RCW; an osteopathic physician and surgeon under
23 chapter 18.57 RCW; an osteopathic physician assistant under chapter
24 18.57A RCW who is licensed under RCW 18.57A.020 subject to any
25 limitations in RCW 18.57A.040; an optometrist licensed under chapter
26 18.53 RCW who is certified by the optometry board under RCW 18.53.010
27 subject to any limitations in RCW 18.53.010; a dentist under chapter
28 18.32 RCW; a podiatric physician and surgeon under chapter 18.22 RCW;
29 a veterinarian under chapter 18.92 RCW; a registered nurse, advanced
30 registered nurse practitioner, or licensed practical nurse under
31 chapter 18.79 RCW; a naturopathic physician under chapter 18.36A RCW
32 who is licensed under RCW 18.36A.030 subject to any limitations in RCW
33 18.36A.040; a pharmacist under chapter 18.64 RCW or a scientific
34 investigator under this chapter, licensed, registered or otherwise
35 permitted insofar as is consistent with those licensing laws to
36 distribute, dispense, conduct research with respect to or administer a
37 controlled substance in the course of their professional practice or
38 research in this state.

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

5 (3) A physician licensed to practice medicine and surgery, a
6 physician licensed to practice osteopathic medicine and surgery, a
7 dentist licensed to practice dentistry, a podiatric physician and
8 surgeon licensed to practice podiatric medicine and surgery, a licensed
9 physician assistant or a licensed osteopathic physician assistant
10 specifically approved to prescribe controlled substances by his or her
11 state's medical quality assurance commission or equivalent and his or
12 her supervising physician, an advanced registered nurse practitioner
13 licensed to prescribe controlled substances, or a veterinarian licensed
14 to practice veterinary medicine in any state of the United States.

15 (~~(ee)~~) (ff) "Prescription" means an order for controlled
16 substances issued by a practitioner duly authorized by law or rule in
17 the state of Washington to prescribe controlled substances within the
18 scope of his or her professional practice for a legitimate medical
19 purpose.

20 (~~(ff)~~) (gg) "Production" includes the manufacturing, planting,
21 cultivating, growing, or harvesting of a controlled substance.

22 (~~(gg)~~) (hh) "Retail outlet" means a location licensed by the
23 state liquor control board for the retail sale of useable marijuana and
24 marijuana-infused products.

25 (~~(hh)~~) (ii) "Secretary" means the secretary of health or the
26 secretary's designee.

27 (~~(ii)~~) (jj) "State," unless the context otherwise requires, means
28 a state of the United States, the District of Columbia, the
29 Commonwealth of Puerto Rico, or a territory or insular possession
30 subject to the jurisdiction of the United States.

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

36 (~~(kk)~~) (ll) "Ultimate user" means an individual who lawfully
37 possesses a controlled substance for the individual's own use or for

1 the use of a member of the individual's household or for administering
2 to an animal owned by the individual or by a member of the individual's
3 household.

4 ~~((+11+))~~ (mm) "Useable marijuana" means dried marijuana flowers.
5 The term "useable marijuana" does not include either marijuana-infused
6 products or marijuana concentrates.

7 **Sec. 2.** RCW 69.50.325 and 2013 c 3 s 4 (Initiative Measure No.
8 502) are each amended to read as follows:

9 (1) There shall be a marijuana producer's license to produce
10 marijuana for sale at wholesale to marijuana processors and other
11 marijuana producers, regulated by the state liquor control board and
12 subject to annual renewal. The production, possession, delivery,
13 distribution, and sale of marijuana in accordance with the provisions
14 of chapter 3, Laws of 2013 and the rules adopted to implement and
15 enforce it, by a validly licensed marijuana producer, shall not be a
16 criminal or civil offense under Washington state law. Every marijuana
17 producer's license shall be issued in the name of the applicant, shall
18 specify the location at which the marijuana producer intends to
19 operate, which must be within the state of Washington, and the holder
20 thereof shall not allow any other person to use the license. The
21 application fee for a marijuana producer's license shall be two hundred
22 fifty dollars. The annual fee for issuance and renewal of a marijuana
23 producer's license shall be one thousand dollars. A separate license
24 shall be required for each location at which a marijuana producer
25 intends to produce marijuana.

26 (2) There shall be a marijuana processor's license to process,
27 package, and label marijuana concentrates, useable marijuana, and
28 marijuana-infused products for sale at wholesale to marijuana
29 processors and marijuana retailers, regulated by the state liquor
30 control board and subject to annual renewal. The processing,
31 packaging, possession, delivery, distribution, and sale of marijuana,
32 useable marijuana, ~~((and))~~ marijuana-infused products, and marijuana
33 concentrates in accordance with the provisions of chapter 3, Laws of
34 2013 and the rules adopted to implement and enforce it, by a validly
35 licensed marijuana processor, shall not be a criminal or civil offense
36 under Washington state law. Every marijuana processor's license shall
37 be issued in the name of the applicant, shall specify the location at

1 which the licensee intends to operate, which must be within the state
2 of Washington, and the holder thereof shall not allow any other person
3 to use the license. The application fee for a marijuana processor's
4 license shall be two hundred fifty dollars. The annual fee for
5 issuance and renewal of a marijuana processor's license shall be one
6 thousand dollars. A separate license shall be required for each
7 location at which a marijuana processor intends to process marijuana.

8 (3) There shall be a marijuana retailer's license to sell marijuana
9 concentrates, useable marijuana, and marijuana-infused products at
10 retail in retail outlets, regulated by the state liquor control board
11 and subject to annual renewal. The possession, delivery, distribution,
12 and sale of marijuana concentrates, useable marijuana, and marijuana-
13 infused products in accordance with the provisions of chapter 3, Laws
14 of 2013 and the rules adopted to implement and enforce it, by a validly
15 licensed marijuana retailer, shall not be a criminal or civil offense
16 under Washington state law. Every marijuana retailer's license shall
17 be issued in the name of the applicant, shall specify the location of
18 the retail outlet the licensee intends to operate, which must be within
19 the state of Washington, and the holder thereof shall not allow any
20 other person to use the license. The application fee for a marijuana
21 retailer's license shall be two hundred fifty dollars. The annual fee
22 for issuance and renewal of a marijuana retailer's license shall be one
23 thousand dollars. A separate license shall be required for each
24 location at which a marijuana retailer intends to sell marijuana
25 concentrates, useable marijuana, and marijuana-infused products.

26 **Sec. 3.** RCW 69.50.354 and 2013 c 3 s 13 (Initiative Measure No.
27 502) are each amended to read as follows:

28 There may be licensed, in no greater number in each of the counties
29 of the state than as the state liquor control board shall deem
30 advisable, retail outlets established for the purpose of making
31 marijuana concentrates, useable marijuana, and marijuana-infused
32 products available for sale to adults aged twenty-one and over. Retail
33 sale of marijuana concentrates, useable marijuana, and marijuana-
34 infused products in accordance with the provisions of chapter 3, Laws
35 of 2013 and the rules adopted to implement and enforce it, by a validly
36 licensed marijuana retailer or retail outlet employee, shall not be a
37 criminal or civil offense under Washington state law.

1 **Sec. 4.** RCW 69.50.357 and 2013 c 3 s 14 (Initiative Measure No.
2 502) are each amended to read as follows:

3 (1) Retail outlets shall sell no products or services other than
4 marijuana concentrates, useable marijuana, marijuana-infused products,
5 or paraphernalia intended for the storage or use of marijuana
6 concentrates, useable marijuana, or marijuana-infused products.

7 (2) Licensed marijuana retailers shall not employ persons under
8 twenty-one years of age or allow persons under twenty-one years of age
9 to enter or remain on the premises of a retail outlet.

10 (3) Licensed marijuana retailers shall not display any signage in
11 a window, on a door, or on the outside of the premises of a retail
12 outlet that is visible to the general public from a public right-of-
13 way, other than a single sign no larger than one thousand six hundred
14 square inches identifying the retail outlet by the licensee's business
15 or trade name.

16 (4) Licensed marijuana retailers shall not display useable
17 marijuana or marijuana-infused products in a manner that is visible to
18 the general public from a public right-of-way.

19 (5) No licensed marijuana retailer or employee of a retail outlet
20 shall open or consume, or allow to be opened or consumed, any marijuana
21 concentrates, useable marijuana, or marijuana-infused product on the
22 outlet premises.

23 (6) The state liquor control board shall fine a licensee one
24 thousand dollars for each violation of any subsection of this section.
25 Fines collected under this section must be deposited into the dedicated
26 marijuana fund created under RCW 69.50.530.

27 **Sec. 5.** RCW 69.50.360 and 2013 c 3 s 15 (Initiative Measure No.
28 502) are each amended to read as follows:

29 The following acts, when performed by a validly licensed marijuana
30 retailer or employee of a validly licensed retail outlet in compliance
31 with rules adopted by the state liquor control board to implement and
32 enforce chapter 3, Laws of 2013, shall not constitute criminal or civil
33 offenses under Washington state law:

34 (1) Purchase and receipt of marijuana concentrates, useable
35 marijuana, or marijuana-infused products that have been properly
36 packaged and labeled from a marijuana processor validly licensed under
37 chapter 3, Laws of 2013;

1 (2) Possession of quantities of marijuana concentrates, useable
2 marijuana, or marijuana-infused products that do not exceed the maximum
3 amounts established by the state liquor control board under RCW
4 69.50.345(5); and

5 (3) Delivery, distribution, and sale, on the premises of the retail
6 outlet, of any combination of the following amounts of marijuana
7 concentrates, useable marijuana, or marijuana-infused product to any
8 person twenty-one years of age or older:

9 (a) One ounce of useable marijuana;

10 (b) Sixteen ounces of marijuana-infused product in solid form;
11 (~~or~~)

12 (c) Seventy-two ounces of marijuana-infused product in liquid form;
13 or

14 (d) Seven grams of marijuana concentrate.

15 **Sec. 6.** RCW 42.56.270 and 2013 c 305 s 14 are each amended to read
16 as follows:

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

19 (1) Valuable formulae, designs, drawings, computer source code or
20 object code, and research data obtained by any agency within five years
21 of the request for disclosure when disclosure would produce private
22 gain and public loss;

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

28 (3) Financial and commercial information and records supplied by
29 private persons pertaining to export services provided under chapters
30 43.163 and 53.31 RCW, and by persons pertaining to export projects
31 under RCW 43.23.035;

32 (4) Financial and commercial information and records supplied by
33 businesses or individuals during application for loans or program
34 services provided by chapters 43.325, 43.163, 43.160, 43.330, and
35 43.168 RCW, or during application for economic development loans or
36 program services provided by any local agency;

1 (5) Financial information, business plans, examination reports, and
2 any information produced or obtained in evaluating or examining a
3 business and industrial development corporation organized or seeking
4 certification under chapter 31.24 RCW;

5 (6) Financial and commercial information supplied to the state
6 investment board by any person when the information relates to the
7 investment of public trust or retirement funds and when disclosure
8 would result in loss to such funds or in private loss to the providers
9 of this information;

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

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

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

18 (10)(a) Financial information, including but not limited to account
19 numbers and values, and other identification numbers supplied by or on
20 behalf of a person, firm, corporation, limited liability company,
21 partnership, or other entity related to an application for a horse
22 racing license submitted pursuant to RCW 67.16.260(1)(b), marijuana
23 producer, processor, or retailer license, liquor license, gambling
24 license, or lottery retail license;

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

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

37 (12)(a) When supplied to and in the records of the department of
38 commerce:

1 (i) Financial and proprietary information collected from any person
2 and provided to the department of commerce pursuant to RCW
3 43.330.050(8); and

4 (ii) Financial or proprietary information collected from any person
5 and provided to the department of commerce or the office of the
6 governor in connection with the siting, recruitment, expansion,
7 retention, or relocation of that person's business and until a siting
8 decision is made, identifying information of any person supplying
9 information under this subsection and the locations being considered
10 for siting, relocation, or expansion of a business;

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

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

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

21 (13) Financial and proprietary information submitted to or obtained
22 by the department of ecology or the authority created under chapter
23 70.95N RCW to implement chapter 70.95N RCW;

24 (14) Financial, commercial, operations, and technical and research
25 information and data submitted to or obtained by the life sciences
26 discovery fund authority in applications for, or delivery of, grants
27 under chapter 43.350 RCW, to the extent that such information, if
28 revealed, would reasonably be expected to result in private loss to the
29 providers of this information;

30 (15) Financial and commercial information provided as evidence to
31 the department of licensing as required by RCW 19.112.110 or
32 19.112.120, except information disclosed in aggregate form that does
33 not permit the identification of information related to individual fuel
34 licensees;

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

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

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

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

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

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

23 (21) Financial, commercial, operations, and technical and research
24 information and data submitted to or obtained by innovate Washington in
25 applications for, or delivery of, grants and loans under chapter 43.333
26 RCW, to the extent that such information, if revealed, would reasonably
27 be expected to result in private loss to the providers of this
28 information; and

29 (22) Market share data submitted by a manufacturer under RCW
30 70.95N.190(4).

31 **Sec. 7.** RCW 69.50.535 and 2013 c 3 s 27 (Initiative Measure No.
32 502) are each amended to read as follows:

33 (1) There is levied and collected a marijuana excise tax equal to
34 twenty-five percent of the selling price on each wholesale sale in this
35 state of marijuana by a licensed marijuana producer to a licensed
36 marijuana processor or another licensed marijuana producer. This tax
37 is the obligation of the licensed marijuana producer.

1 (2) There is levied and collected a marijuana excise tax equal to
2 twenty-five percent of the selling price on each wholesale sale in this
3 state of marijuana concentrates, useable marijuana ~~((or))~~, and
4 marijuana-infused products by a licensed marijuana processor to a
5 licensed marijuana retailer. This tax is the obligation of the
6 licensed marijuana processor.

7 (3) There is levied and collected a marijuana excise tax equal to
8 twenty-five percent of the selling price on each retail sale in this
9 state of marijuana concentrates, useable marijuana, and marijuana-
10 infused products. This tax is the obligation of the licensed marijuana
11 retailer, is separate and in addition to general state and local sales
12 and use taxes that apply to retail sales of tangible personal property,
13 and is part of the total retail price to which general state and local
14 sales and use taxes apply.

15 (4) All revenues collected from the marijuana excise taxes imposed
16 under subsections (1) through (3) of this section shall be deposited
17 each day in a depository approved by the state treasurer and
18 transferred to the state treasurer to be credited to the dedicated
19 marijuana fund.

20 (5) The state liquor control board shall regularly review the tax
21 levels established under this section and make recommendations to the
22 legislature as appropriate regarding adjustments that would further the
23 goal of discouraging use while undercutting illegal market prices.

Passed by the House March 13, 2014.

Passed by the Senate March 13, 2014.

Approved by the Governor April 2, 2014.

Filed in Office of Secretary of State April 4, 2014.