H-3497.1

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**HOUSE BILL 2693**

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**State of Washington 64th Legislature 2016 Regular Session**

**By** Representative Blake

AN ACT Relating to the establishment of a marijuana lounge endorsement to a marijuana retailer's license; amending RCW 69.50.325 and 69.50.445; and prescribing penalties.

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

**Sec.**  RCW 69.50.325 and 2015 c 70 s 5 are each amended to read as follows:

(1) There shall be a marijuana producer's license to produce marijuana for sale at wholesale to marijuana processors and other marijuana producers, regulated by the state liquor and cannabis board and subject to annual renewal. The production, possession, delivery, distribution, and sale of marijuana in accordance with the provisions of this chapter and the rules adopted to implement and enforce it, by a validly licensed marijuana producer, shall not be a criminal or civil offense under Washington state law. Every marijuana producer's license shall be issued in the name of the applicant, shall specify the location at which the marijuana producer intends to operate, which must be within the state of Washington, and the holder thereof shall not allow any other person to use the license. The application fee for a marijuana producer's license shall be two hundred fifty dollars. The annual fee for issuance and renewal of a marijuana producer's license shall be one thousand dollars. A separate license shall be required for each location at which a marijuana producer intends to produce marijuana.

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

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

(4)(a) There shall be a marijuana lounge endorsement to a marijuana retailer's license that allows an endorsement holder to operate a marijuana lounge in which adults age twenty-one and older may lawfully consume useable marijuana, marijuana-infused products, and marijuana concentrates purchased from the retailer holding the endorsement. The endorsement is subject to annual renewal. The endorsement holder is responsible for ensuring that all marijuana product sales and use are fully compliant with the requirements of this chapter and applicable administrative rules.

(b) An applicant may apply for a marijuana lounge endorsement concurrently with an application for a marijuana retailer's license.

(c) The application fee for a marijuana lounge endorsement shall be two hundred fifty dollars. The annual fee for issuance and renewal of the endorsement is one thousand dollars.

(d) For the purposes of this subsection (4), "marijuana lounge" means an area, room, or structure within or directly attached to, the premises of a licensed marijuana retailer, sharing common points of entry and exit with the retail premises, and which meets the following requirements:

(i) There must be a complete structural separation between the lounge area and areas within the licensed premises in which retail sales occur by walls, doors, or other structures of sufficient size and design to create a distinct, unbroken barrier between areas intended for retail sales and areas intended for the use of the marijuana products purchased from the retailer holding the endorsement;

(ii) The design of the structures or barriers separating the marijuana lounge from the retail sales area and the ventilation system serving the licensed premises must be sufficient to ensure that smoke, vapors, residues, aerosolized particles, or other emissions resulting from the consumption of marijuana products in the lounge are not inhaled or ingested by persons within the area reserved for retail sales; and

(iii) The location and structural design of the lounge must ensure that the use of marijuana products within the lounge are not within view of the general public outside of the licensed premises.

(e) A licensed marijuana lounge that is constructed and operated consistent with this subsection (4) is exempt from RCW 69.50.445.

(f) The board is granted the rule-making authority necessary to implement the provisions of this subsection (4).

**Sec.**  RCW 69.50.445 and 2015 2nd sp.s. c 4 s 401 are each amended to read as follows:

(1) It is unlawful to open a package containing marijuana, useable marijuana, marijuana-infused products, or marijuana concentrates, or consume marijuana, useable marijuana, marijuana-infused products, or marijuana concentrates, in view of the general public or in a public place.

(2) For the purposes of this section, "public place" has the same meaning as defined in RCW 66.04.010, but the exclusions in RCW 66.04.011 do not apply.

(3) A person who violates this section is guilty of a class 3 civil infraction under chapter 7.80 RCW.

(4) This section does not apply to the use or handling of useable marijuana, marijuana-infused products, or marijuana concentrates on the premises of a retail licensee with a marijuana lounge endorsement under RCW 69.50.325(4).

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