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**SUBSTITUTE HOUSE BILL 2802**

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

**By** House Commerce & Gaming (originally sponsored by Representatives Wylie, Vick, Blake, and Harris)

AN ACT Relating to the provision of personal services and promotional items by cannabis producers and processors; and adding a new section to chapter 69.50 RCW.

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

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

(1)(a) Nothing in this chapter prohibits a producer or processor from providing retailers branded promotional items which are of nominal value, singly or in the aggregate. Such items include but are not limited to: Lighters, postcards, pencils, matches, shirts, hats, visors, and other similar items. Branded promotional items:

(i) Must be used exclusively by the retailer or its employees in a manner consistent with its license;

(ii) Must bear imprinted advertising matter of the producer or processor only;

(iii) May be provided by a producer or processor only to retailers and their employees and may not be provided by or through retailers or their employees to retail customers; and

(iv) May not be targeted to youth, including any: (A) Statement, picture, or illustration that depicts a child or other person under legal age for consuming cannabis; (B) objects, such as toys or characters, suggesting the presence of a child, or any other depiction designed in any manner to be especially appealing to children or other persons under legal age to consume cannabis; (C) advertising designed in any manner that would be especially appealing to children or other persons under twenty-one years of age; or (D) advertising implying that the consumption of cannabis is fashionable or the accepted course of behavior for persons under twenty-one years of age.

(b) A producer or processor is not obligated to provide any such branded promotional items, and a retailer may not require a producer or processor to provide such branded promotional items as a condition for selling any cannabis to the retailer.

(c) Any producer, processor, or retailer or any other person asserting that the provision of branded promotional items as allowed in (a) of this subsection has resulted or is more likely than not to result in undue influence or an adverse impact on public health and safety, or is otherwise inconsistent with the criteria in (a) of this subsection may file a complaint with the state liquor and cannabis board. Upon receipt of a complaint the state liquor and cannabis board may conduct such investigation as it deems appropriate in the circumstances. If the investigation reveals the provision of branded promotional items has resulted in or is more likely than not to result in undue influence or has resulted or is more likely than not to result in an adverse impact on public health and safety or is otherwise inconsistent with (a) of this subsection the state liquor and cannabis board may issue an administrative violation notice to the producer, processor, or retailer. The recipient of the administrative violation notice may request a hearing under chapter 34.05 RCW.

(2) Nothing in this chapter prohibits:

(a) Producers or processors from listing on their internet web sites information related to retailers who sell or promote their products, including direct links to the retailers' internet web sites; and

(b) Retailers from listing on their internet web sites information related to producers or processors whose products those retailers sell or promote, including direct links to the producers or processors' web sites; or

(c) Producers, processors, and retailers from producing, jointly or together with regional, state, or local industry associations, brochures and materials promoting tourism in Washington state which contain information regarding retail licensees, producers, processors, and their products.

(3) Nothing in this chapter prohibits the performance of personal services offered from time to time by a producer or processor to retailers when the personal services are (a) conducted at a licensed premises, and (b) intended to inform, educate, or enhance customers' knowledge or experience of the manufacturer's products. The performance of personal services may include participation in events and the use of informational or educational activities at the premises of a retailer holding a license under this chapter. A producer or processor is not obligated to perform any such personal services, and a retail licensee may not require a producer or processor to conduct any personal service as a condition for selling cannabis to the retail licensee.

(4) For the purposes of this section, "nominal value" means a value of thirty dollars or less.

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