CERTIFICATION OF ENROLLMENT

HOUSE BILL 2000

Chapter 207, Laws of 2015

64th Legislature 2015 Regular Session

MARIJUANA--STATE AGREEMENTS WITH INDIAN TRIBES

EFFECTIVE DATE: 7/24/2015

Passed by the House April 24, 2015 Yeas 79 Nays 17

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 24, 2015 Yeas 46 Nays 0

BRAD OWEN

President of the Senate

Approved May 8, 2015 9:58 AM

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2000** as passed by House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

May 8, 2015

JAY INSLEE

Governor of the State of Washington

Secretary of State State of Washington

HOUSE BILL 2000

AS AMENDED BY THE SENATE

Passed Legislature - 2015 Regular Session

State of Washington 64th Legislature 2015 Regular Session

By Representatives Hurst, Condotta, and Tarleton

Read first time 02/05/15. Referred to Committee on Commerce & Gaming.

AN ACT Relating to authorizing the governor to enter into agreements with federally recognized Indian tribes in the state of Washington concerning marijuana; amending RCW 69.50.360, 69.50.363, and 69.50.366; adding new sections to chapter 43.06 RCW; adding a new section to chapter 69.50 RCW; adding a new section to chapter 82.08 RCW; and adding a new section to chapter 82.12 RCW.

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

8 <u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 43.06 9 RCW to read as follows:

10 The legislature intends to further the government-to-government 11 relationship between the state of Washington and federally recognized 12 Indian tribes in the state of Washington by authorizing the governor 13 to enter into agreements concerning the regulation of marijuana. Such 14 include provisions pertaining to: The lawful agreements may commercial production, processing, sale, and possession of marijuana 15 16 for both recreational and medical purposes; marijuana-related research activities; law enforcement, both criminal and civil; and 17 taxation. The legislature finds that these agreements will facilitate 18 and promote a cooperative and mutually beneficial relationship 19 between the state and the tribes regarding matters relating to the 20 21 legalization of marijuana, particularly in light of the fact that

1 federal Indian law precludes the state from enforcing its civil regulatory laws in Indian country. Such cooperative agreements will 2 enhance public health and safety, ensure a lawful and well-regulated 3 marijuana market, encourage economic development, and provide fiscal 4 benefits to both the tribes and the state. 5

NEW SECTION. Sec. 2. A new section is added to chapter 43.06 6 7 RCW to read as follows:

8 (1) The governor may enter into agreements with federally recognized Indian tribes concerning marijuana. Marijuana agreements 9 may address any marijuana-related issue that involves both state and 10 11 interests or otherwise has tribal an impact on tribal-state relations. Such agreements may include, but are not limited to, the 12 13 following provisions and subject matter:

(a) Criminal and civil law enforcement; 14

15 (b) Regulatory issues related to the commercial production, 16 processing, sale, and possession of marijuana, and processed marijuana products, for both recreational and medical purposes; 17

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(c) Medical and pharmaceutical research involving marijuana;

(d) Taxation in accordance with subsection (2) of this section;

20 (e) Any tribal immunities or preemption of state law regarding 21 the production, processing, or marketing of marijuana; and

22 (f) Dispute resolution, including the use of mediation or other 23 nonjudicial process.

24 (2)(a) Each marijuana agreement adopted under this section must 25 provide for a tribal marijuana tax that is at least one hundred percent of the state marijuana excise tax imposed under RCW 69.50.535 26 27 and state and local sales and use taxes on sales of marijuana. Marijuana agreements apply to sales in which tribes, tribal 28 enterprises, or tribal member-owned businesses (i) deliver or cause 29 30 delivery to be made to or receive delivery from a marijuana producer, 31 processor, or retailer licensed under chapter 69.50 RCW or (ii) physically transfer possession of the marijuana from the seller to 32 the buyer within Indian country. 33

(b) The tribe may allow an exemption from tax for sales to the 34 tribe, tribal enterprises, tribal member-owned businesses, or tribal 35 members[,] on marijuana grown, produced, or processed within its 36 Indian country, or for activities to the extent they are exempt under 37 38 state or federal law from the state marijuana excise tax imposed 39 under RCW 69.50.535 or state and local sales or use taxes on sales of

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1 marijuana. Medical marijuana products used in the course of medical 2 treatments by a clinic, hospital, or similar facility owned and 3 operated by a federally recognized Indian tribe within its Indian 4 country may be exempted from tax under the terms of an agreement 5 entered into under this section.

6 (3) Any marijuana agreement relating to the production, 7 processing, and sale of marijuana in Indian country, whether for 8 recreational or medical purposes, must address the following issues:

9 (a) Preservation of public health and safety;

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10 (b) Ensuring the security of production, processing, retail, and 11 research facilities; and

12 (c) Cross-border commerce in marijuana.

13 (4) The governor may delegate the power to negotiate marijuana 14 agreements to the state liquor control board. In conducting such 15 negotiations, the state liquor control board must, when necessary, 16 consult with the governor and/or the department of revenue.

17 (5) The definitions in this subsection apply throughout this18 section unless the context clearly requires otherwise.

(a) "Indian country" has the same meaning as in RCW 82.24.010.

20 (b) "Indian tribe" or "tribe" means a federally recognized Indian 21 tribe located within the geographical boundaries of the state of 22 Washington.

(c) "Marijuana" means "marijuana," "marijuana concentrates,"
12 "marijuana-infused products," and "useable marijuana," as those terms
12 are defined in RCW 69.50.101.

26 <u>NEW SECTION.</u> **Sec. 3.** A new section is added to chapter 69.50 27 RCW to read as follows:

The taxes, fees, assessments, and other charges imposed by this chapter do not apply to commercial activities related to the production, processing, sale, and possession of marijuana, useable marijuana, marijuana concentrates, and marijuana-infused products covered by an agreement entered into under section 2 of this act.

33 <u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 82.08 34 RCW to read as follows:

The taxes imposed by this chapter do not apply to the retail sale of marijuana, useable marijuana, marijuana concentrates, and marijuana-infused products covered by an agreement entered into under section 2 of this act. "Marijuana," "useable marijuana," "marijuana

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1 concentrates," and "marijuana-infused products" have the same meaning 2 as defined in RCW 69.50.101.

3 <u>NEW SECTION.</u> Sec. 5. A new section is added to chapter 82.12 4 RCW to read as follows:

5 The taxes imposed by this chapter do not apply to the use of 6 marijuana, useable marijuana, marijuana concentrates, and marijuana-7 infused products covered by an agreement entered into under section 2 8 of this act. "Marijuana," "useable marijuana," "marijuana 9 concentrates," and "marijuana-infused products" have the same meaning 10 as defined in RCW 69.50.101.

11 **Sec. 6.** RCW 69.50.360 and 2014 c 192 s 5 are each amended to 12 read as follows:

13 The following acts, when performed by a validly licensed 14 marijuana retailer or employee of a validly licensed retail outlet in 15 compliance with rules adopted by the state liquor control board to 16 implement and enforce chapter 3, Laws of 2013, ((shall)) <u>do</u> not 17 constitute criminal or civil offenses under Washington state law:

18 (1) Purchase and receipt of marijuana concentrates, useable 19 marijuana, or marijuana-infused products that have been properly 20 packaged and labeled from a marijuana processor validly licensed 21 under chapter 3, Laws of 2013;

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

26 (3) Delivery, distribution, and sale, on the premises of the 27 retail outlet, of any combination of the following amounts of 28 marijuana concentrates, useable marijuana, or marijuana-infused 29 product to any person twenty-one years of age or older:

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(a) One ounce of useable marijuana;

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(b) Sixteen ounces of marijuana-infused product in solid form;

32 (c) Seventy-two ounces of marijuana-infused product in liquid 33 form; or

34 (d) Seven grams of marijuana concentrate; and

35 (4) Purchase and receipt of marijuana concentrates, useable 36 marijuana, or marijuana-infused products that have been properly 37 packaged and labeled from a federally recognized Indian tribe as 1 permitted under an agreement between the state and the tribe entered

2 <u>into under section 2 of this act</u>.

3 Sec. 7. RCW 69.50.363 and 2013 c 3 s 16 are each amended to read 4 as follows:

5 The following acts, when performed by a validly licensed 6 marijuana processor or employee of a validly licensed marijuana 7 processor in compliance with rules adopted by the state liquor 8 control board to implement and enforce chapter 3, Laws of 2013, 9 ((shall)) <u>do</u> not constitute criminal or civil offenses under 10 Washington state law:

(1) Purchase and receipt of marijuana that has been properly packaged and labeled from a marijuana producer validly licensed under chapter 3, Laws of 2013;

14 (2) Possession, processing, packaging, and labeling of quantities 15 of marijuana, useable marijuana, and marijuana-infused products that 16 do not exceed the maximum amounts established by the state liquor 17 control board under RCW 69.50.345(4); ((and))

18 (3) Delivery, distribution, and sale of useable marijuana or 19 marijuana-infused products to a marijuana retailer validly licensed 20 under chapter 3, Laws of 2013; and

21 (4) Delivery, distribution, and sale of useable marijuana, 22 marijuana concentrates, or marijuana-infused products to a federally 23 recognized Indian tribe as permitted under an agreement between the 24 state and the tribe entered into under section 2 of this act.

25 **Sec. 8.** RCW 69.50.366 and 2013 c 3 s 17 are each amended to read 26 as follows:

The following acts, when performed by a validly licensed marijuana producer or employee of a validly licensed marijuana producer in compliance with rules adopted by the state liquor control board to implement and enforce chapter 3, Laws of 2013, ((shall)) do not constitute criminal or civil offenses under Washington state law:

32 (1) Production or possession of quantities of marijuana that do 33 not exceed the maximum amounts established by the state liquor 34 control board under RCW 69.50.345(3); ((and))

35 (2) Delivery, distribution, and sale of marijuana to a marijuana 36 processor or another marijuana producer validly licensed under 37 chapter 3, Laws of 2013; and

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- 1 (3) Delivery, distribution, and sale of marijuana or useable
- 2 <u>marijuana to a federally recognized Indian tribe as permitted under</u>
- 3 an agreement between the state and the tribe entered into under
- 4 section 2 of this act.

Passed by the House April 24, 2015. Passed by the Senate April 24, 2015. Approved by the Governor May 8, 2015. Filed in Office of Secretary of State May 8, 2015.

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