CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 6341

Chapter 17, Laws of 2016

64th Legislature Veto Override 2016 1st Special Session

CANNABIS PRODUCERS, PROCESSORS, AND RETAILERS--PROMOTIONAL ITEMS AND SERVICES

EFFECTIVE DATE: 6/28/2016

Passed by the Senate February 11, 2016 CERTIFICATE Yeas 36 Nays 13 I, Hunter G. Goodman, Secretary of Senate of the State of BRAD OWEN Washington, do hereby certify that the attached is **SUBSTITUTE SENATE** President of the Senate BILL 6341 as passed by Senate and the House of Representatives on the dates hereon set forth. Passed by the House March 2, 2016 Yeas 72 Nays 25 HUNTER G. GOODMAN Secretary FRANK CHOPP Speaker of the House of Representatives FILED March 30, 2016 Vetoed March 10, 2016 10:20 PM Secretary of State JAY INSLEE State of Washington

Governor of the State of Washington

SUBSTITUTE SENATE BILL 6341

Passed Legislature - Veto Override 2016 1st Special Session

State of Washington 64th Legislature 2016 Regular Session

By Senate Commerce & Labor (originally sponsored by Senators Rivers and Conway)

READ FIRST TIME 02/04/16.

- 1 AN ACT Relating to the provision of personal services and
- 2 promotional items by cannabis producers and processors; and adding a
- 3 new section to chapter 69.50 RCW.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 <u>NEW SECTION.</u> **Sec. 1.** A new section is added to chapter 69.50 6 RCW to read as follows:
- 7 (1)(a) Nothing in this chapter prohibits a producer or processor
- 8 from providing retailers branded promotional items which are of
- 9 nominal value, singly or in the aggregate. Such items include but are
- 10 not limited to: Lighters, postcards, pencils, matches, shirts, hats,
- 11 visors, and other similar items. Branded promotional items:
- 12 (i) Must be used exclusively by the retailer or its employees in
- 13 a manner consistent with its license;
- 14 (ii) Must bear imprinted advertising matter of the producer or
- 15 processor only;
- 16 (iii) May be provided by a producer or processor only to
- 17 retailers and their employees and may not be provided by or through
- 18 retailers or their employees to retail customers; and
- 19 (iv) May not be targeted to youth, including any: (A) Statement,
- 20 picture, or illustration that depicts a child or other person under
- 21 legal age for consuming cannabis; (B) objects, such as toys or

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- 1 characters, suggesting the presence of a child, or any other depiction designed in any manner to be especially appealing to 2 children or other persons under legal age to consume cannabis; (C) 3 advertising designed in any manner that would be especially appealing 4 to children or other persons under twenty-one years of age; or (D) 5 6 advertising implying that the consumption of cannabis is fashionable 7 or the accepted course of behavior for persons under twenty-one years of age. 8
 - (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:

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- 31 (a) Producers or processors from listing on their internet web 32 sites information related to retailers who sell or promote their 33 products, including direct links to the retailers' internet web 34 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,

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- 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 4 services offered from time to time by a producer or processor to 5 6 retailers when the personal services are (a) conducted at a licensed premises, and (b) intended to inform, educate, or enhance customers' 7 knowledge or experience of the manufacturer's products. 8 performance of personal services may include participation in events 9 and the use of informational or educational activities at the 10 premises of a retailer holding a license under this chapter. A 11 producer or processor is not obligated to perform any such personal 12 services, and a retail licensee may not require a producer or 13 14 processor to conduct any personal service as a condition for selling cannabis to the retail licensee. 15
- 16 (4) For the purposes of this section, "nominal value" means a 17 value of thirty dollars or less.

Passed by the Senate February 11, 2016. Passed by the House March 2, 2016. Vetoed by the Governor March 10, 2016. Filed in Office of Secretary of State March 30, 2016.

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