

CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE SENATE BILL 5318

Chapter 394, Laws of 2019

66th Legislature
2019 Regular Session

MARIJUANA LICENSEES--COMPLIANCE AND ENFORCEMENT

EFFECTIVE DATE: July 28, 2019

Passed by the Senate April 23, 2019
Yeas 43 Nays 4

CYRUS HABIB

President of the Senate

Passed by the House April 16, 2019
Yeas 88 Nays 8

FRANK CHOPP

Speaker of the House of Representatives

Approved May 13, 2019 4:37 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Brad Hendrickson, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5318** as passed by the Senate and the House of Representatives on the dates hereon set forth.

BRAD HENDRICKSON

Secretary

FILED

May 16, 2019

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 5318

AS AMENDED BY THE HOUSE

Passed Legislature - 2019 Regular Session

State of Washington

66th Legislature

2019 Regular Session

By Senate Labor & Commerce (originally sponsored by Senators Rivers, Palumbo, and Wagoner)

READ FIRST TIME 02/22/19.

1 AN ACT Relating to reforming the compliance and enforcement
2 provisions for marijuana licensees; amending RCW 69.50.342 and
3 69.50.331; reenacting and amending RCW 69.50.101 and 42.56.270;
4 adding a new section to chapter 43.05 RCW; adding new sections to
5 chapter 69.50 RCW; and creating a new section.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that:

8 (1) In the years since the creation of a legal and regulated
9 marketplace for adult use of cannabis, the industry, stakeholders,
10 and state agencies have collaborated to develop a safe, fully
11 regulated marketplace.

12 (2) As the regulated marketplace has been developing, Washington
13 residents with a strong entrepreneurial spirit have taken great
14 financial and personal risk to become licensed and part of this
15 nascent industry.

16 (3) It should not be surprising that mistakes have been made both
17 by licensees and regulators, and that both have learned from these
18 mistakes leading to a stronger, safer industry.

19 (4) While a strong focus on enforcement is an important component
20 of the regulated marketplace, a strong focus on compliance and
21 education is also critically necessary to assist licensees who strive

1 for compliance and in order to allow the board to focus its
2 enforcement priorities on those violations that directly harm public
3 health and safety.

4 (5) The risk taking entrepreneurs who are trying to comply with
5 board regulations should not face punitive consequences for mistakes
6 made during this initial phase of the industry that did not pose a
7 direct threat to public health and safety.

8 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.05
9 RCW to read as follows:

10 (1) If, during an inspection or visit to a marijuana business
11 licensed under chapter 69.50 RCW that is not a technical assistance
12 visit, the liquor and cannabis board becomes aware of conditions that
13 are not in compliance with applicable laws and rules enforced by the
14 board and are not subject to civil penalties as provided for in
15 section 3 of this act, the board may issue a notice of correction to
16 the licensee that includes:

17 (a) A description of the condition that is not in compliance and
18 the text of the specific section or subsection of the applicable
19 state law or rule;

20 (b) A statement of what is required to achieve compliance;

21 (c) The date by which the board requires compliance to be
22 achieved;

23 (d) Notice of the means to contact any technical assistance
24 services provided by the board or others; and

25 (e) Notice of when, where, and to whom a request to extend the
26 time to achieve compliance for good cause may be filed with the
27 board.

28 (2) A notice of correction is not a formal enforcement action, is
29 not subject to appeal, and is a public record.

30 (3) If the liquor and cannabis board issues a notice of
31 correction, it may not issue a civil penalty for the violations
32 identified in the notice of correction unless the licensee fails to
33 comply with the notice.

34 NEW SECTION. **Sec. 3.** A new section is added to chapter 69.50
35 RCW to read as follows:

36 (1) The liquor and cannabis board may issue a civil penalty
37 without first issuing a notice of correction if:

1 (a) The licensee has previously been subject to an enforcement
2 action for the same or similar type of violation of the same statute
3 or rule or has been given previous notice of the same or similar type
4 of violation of the same statute or rule;

5 (b) Compliance is not achieved by the date established by the
6 liquor and cannabis board in a previously issued notice of correction
7 and if the board has responded to a request for review of the date by
8 reaffirming the original date or establishing a new date; or

9 (c) The board can prove by a preponderance of the evidence:

10 (i) Diversion of marijuana product to the illicit market or sales
11 across state lines;

12 (ii) Furnishing of marijuana product to minors;

13 (iii) Diversion of revenue to criminal enterprises, gangs,
14 cartels, or parties not qualified to hold a marijuana license based
15 on criminal history requirements;

16 (iv) The commission of nonmarijuana-related crimes; or

17 (v) Knowingly making a misrepresentation of fact to the board, an
18 officer of the board, or an employee of the board related to conduct
19 or an action that is, or is alleged to be, any of the violations
20 identified in (c)(i) through (c)(iv) of this subsection (1).

21 (2) The liquor and cannabis board may adopt rules to implement
22 this section and section 2 of this act.

23 **Sec. 4.** RCW 69.50.342 and 2015 2nd sp.s. c 4 s 1601 are each
24 amended to read as follows:

25 (1) For the purpose of carrying into effect the provisions of
26 chapter 3, Laws of 2013 according to their true intent or of
27 supplying any deficiency therein, the state liquor and cannabis board
28 may adopt rules not inconsistent with the spirit of chapter 3, Laws
29 of 2013 as are deemed necessary or advisable. Without limiting the
30 generality of the preceding sentence, the state liquor and cannabis
31 board is empowered to adopt rules regarding the following:

32 (a) The equipment and management of retail outlets and premises
33 where marijuana is produced or processed, and inspection of the
34 retail outlets and premises where marijuana is produced or processed;

35 (b) The books and records to be created and maintained by
36 licensees, the reports to be made thereon to the state liquor and
37 cannabis board, and inspection of the books and records;

38 (c) Methods of producing, processing, and packaging marijuana,
39 useable marijuana, marijuana concentrates, and marijuana-infused

1 products; conditions of sanitation; safe handling requirements;
2 approved pesticides and pesticide testing requirements; and standards
3 of ingredients, quality, and identity of marijuana, useable
4 marijuana, marijuana concentrates, and marijuana-infused products
5 produced, processed, packaged, or sold by licensees;

6 (d) Security requirements for retail outlets and premises where
7 marijuana is produced or processed, and safety protocols for
8 licensees and their employees;

9 (e) Screening, hiring, training, and supervising employees of
10 licensees;

11 (f) Retail outlet locations and hours of operation;

12 (g) Labeling requirements and restrictions on advertisement of
13 marijuana, useable marijuana, marijuana concentrates, cannabis health
14 and beauty aids, and marijuana-infused products for sale in retail
15 outlets;

16 (h) Forms to be used for purposes of this chapter and chapter
17 69.51A RCW or the rules adopted to implement and enforce these
18 chapters, the terms and conditions to be contained in licenses issued
19 under this chapter and chapter 69.51A RCW, and the qualifications for
20 receiving a license issued under this chapter and chapter 69.51A RCW,
21 including a criminal history record information check. The state
22 liquor and cannabis board may submit any criminal history record
23 information check to the Washington state patrol and to the
24 identification division of the federal bureau of investigation in
25 order that these agencies may search their records for prior arrests
26 and convictions of the individual or individuals who filled out the
27 forms. The state liquor and cannabis board must require
28 fingerprinting of any applicant whose criminal history record
29 information check is submitted to the federal bureau of
30 investigation;

31 (i) Application, reinstatement, and renewal fees for licenses
32 issued under this chapter and chapter 69.51A RCW, and fees for
33 anything done or permitted to be done under the rules adopted to
34 implement and enforce this chapter and chapter 69.51A RCW;

35 (j) The manner of giving and serving notices required by this
36 chapter and chapter 69.51A RCW or rules adopted to implement or
37 enforce these chapters;

38 (k) Times and periods when, and the manner, methods, and means by
39 which, licensees transport and deliver marijuana, marijuana

1 concentrates, useable marijuana, and marijuana-infused products
2 within the state;

3 (1) Identification, seizure, confiscation, destruction, or
4 donation to law enforcement for training purposes of all marijuana,
5 marijuana concentrates, useable marijuana, and marijuana-infused
6 products produced, processed, sold, or offered for sale within this
7 state which do not conform in all respects to the standards
8 prescribed by this chapter or chapter 69.51A RCW or the rules adopted
9 to implement and enforce these chapters.

10 (2) Rules adopted on retail outlets holding medical marijuana
11 endorsements must be adopted in coordination and consultation with
12 the department.

13 (3) The board must adopt rules to perfect and expand existing
14 programs for compliance education for licensed marijuana businesses
15 and their employees. The rules must include a voluntary compliance
16 program created in consultation with licensed marijuana businesses
17 and their employees. The voluntary compliance program must include
18 recommendations on abating violations of this chapter and rules
19 adopted under this chapter.

20 NEW SECTION. Sec. 5. A new section is added to chapter 69.50
21 RCW to read as follows:

22 (1) The board may grant a licensee's application for advice and
23 consultation as provided in RCW 69.50.342(3) and visit the licensee's
24 licensed premises in order to provide such advice and consultation.
25 Advice and consultation services are limited to the matters specified
26 in the request affecting the interpretation and applicability of the
27 standards in this chapter to the conditions, structures, machines,
28 equipment, apparatus, devices, materials, methods, means, and
29 practices in the licensee's licensed premises. The board may provide
30 for an alternative means of affording consultation and advice other
31 than on-site consultation.

32 (2) The board must make recommendations on eliminating areas of
33 concern disclosed within the scope of the on-site consultation. A
34 visit to a licensee's licensed premises may not be considered an
35 inspection or investigation under this chapter. During the visit, the
36 board may not issue notices or citations and may not assess civil
37 penalties. However, if the on-site visit discloses a violation with a
38 direct or immediate relationship to public safety and the violation
39 is not corrected, the board may investigate.

1 (3) This section does not provide immunity to a licensee who has
2 applied for consultative services from inspections or investigations
3 conducted under this chapter or from any inspection conducted as a
4 result of a complaint before, during, or after the provision of
5 consultative services.

6 (4) This section does not require an inspection of a licensee's
7 licensed premises that has been visited for consultative purposes.
8 However, if the premises are inspected after a visit, the board may
9 consider any information obtained during the consultation visit in
10 determining the nature of an alleged violation and the amount of
11 penalties to be assessed, if any.

12 (5) Rules adopted under section 6 of this act must provide that
13 violations with a direct or immediate relationship to public safety
14 discovered during the consultation visit must be corrected within a
15 specified period of time and an inspection must be conducted at the
16 end of that time period.

17 (6) All licensees requesting consultative services must be
18 advised of this section and the rules adopted by the board relating
19 to the voluntary compliance program. Valuable formulae or financial
20 or proprietary commercial information records received during a
21 consultative visit or while providing consultative services in
22 accordance with this section are not subject to inspection pursuant
23 to chapter 42.56 RCW.

24 (7) The board may adopt rules on the frequency, manner, and
25 method of providing consultative services to licensees. Rules may
26 include scheduling of consultative services and prioritizing requests
27 for the services while maintaining the enforcement requirements of
28 this chapter.

29 NEW SECTION. **Sec. 6.** A new section is added to chapter 69.50
30 RCW to read as follows:

31 (1) The board must prescribe procedures for the following:

32 (a) Issuance of written warnings or notices to correct in lieu of
33 penalties, sanctions, or other violations with respect to regulatory
34 violations that have no direct or immediate relationship to public
35 safety as defined by the board;

36 (b) Waiving any fines, civil penalties, or administrative
37 sanctions for violations, that have no direct or immediate
38 relationship to public safety, and are corrected by the licensee
39 within a reasonable amount of time as designated by the board; and

1 (c) A compliance program in accordance with chapter 43.05 RCW and
2 RCW 69.50.342, whereby licensees may request compliance assistance
3 and inspections without issuance of a penalty, sanction, or other
4 violation provided that any noncompliant issues are resolved within a
5 specified period of time.

6 (2) The board must adopt rules prescribing penalties for
7 violations of this chapter. The board:

8 (a) May establish escalating penalties for violation of this
9 chapter, provided that the cumulative effect of any such escalating
10 penalties cannot last beyond two years and the escalation applies
11 only to multiple violations that are the same or similar in nature;

12 (b) May not include cancellation of a license for a single
13 violation, unless the board can prove by a preponderance of the
14 evidence:

15 (i) Diversion of marijuana product to the illicit market or sales
16 across state lines;

17 (ii) Furnishing of marijuana product to minors;

18 (iii) Diversion of revenue to criminal enterprises, gangs,
19 cartels, or parties not qualified to hold a marijuana license based
20 on criminal history requirements;

21 (iv) The commission of nonmarijuana-related crimes; or

22 (v) Knowingly making a misrepresentation of fact to the board, an
23 officer of the board, or an employee of the board related to conduct
24 or an action that is, or alleged to be, any of the violations
25 identified in (b) (i) through (b) (iv) of this subsection (2);

26 (c) May include cancellation of a license for cumulative
27 violations only if a marijuana licensee commits at least four
28 violations within a two-year period of time;

29 (d) Must consider aggravating and mitigating circumstances and
30 deviate from the prescribed penalties accordingly, and must authorize
31 enforcement officers to do the same, provided that such penalty may
32 not exceed the maximum escalating penalty prescribed by the board for
33 that violation; and

34 (e) Must give substantial consideration to mitigating any penalty
35 imposed on a licensee when there is employee misconduct that led to
36 the violation and the licensee:

37 (i) Established a compliance program designed to prevent the
38 violation;

39 (ii) Performed meaningful training with employees designed to
40 prevent the violation; and

1 (iii) Had not enabled or ignored the violation or other similar
2 violations in the past.

3 (3) The board may not consider any violation that occurred more
4 than two years prior as grounds for denial, suspension, revocation,
5 cancellation, or nonrenewal, unless the board can prove by a
6 preponderance of the evidence that the prior administrative violation
7 evidences:

8 (a) Diversion of marijuana product to the illicit market or sales
9 across state lines;

10 (b) Furnishing of marijuana product to minors;

11 (c) Diversion of revenue to criminal enterprises, gangs, cartels,
12 or parties not qualified to hold a marijuana license based on
13 criminal history requirements;

14 (d) The commission of nonmarijuana-related crimes; or

15 (e) Knowingly making a misrepresentation of fact to the board, an
16 officer of the board, or an employee of the board related to conduct
17 or an action that is, or is alleged to be, any of the violations
18 identified in (a) through (d) of this subsection (3).

19 **Sec. 7.** RCW 69.50.331 and 2017 c 317 s 2 are each amended to
20 read as follows:

21 (1) For the purpose of considering any application for a license
22 to produce, process, research, transport, or deliver marijuana,
23 useable marijuana, marijuana concentrates, or marijuana-infused
24 products subject to the regulations established under RCW 69.50.385,
25 or sell marijuana, or for the renewal of a license to produce,
26 process, research, transport, or deliver marijuana, useable
27 marijuana, marijuana concentrates, or marijuana-infused products
28 subject to the regulations established under RCW 69.50.385, or sell
29 marijuana, the ((~~state liquor and cannabis~~)) board must conduct a
30 comprehensive, fair, and impartial evaluation of the applications
31 timely received.

32 (a) The ((~~state liquor and cannabis~~)) board may cause an
33 inspection of the premises to be made, and may inquire into all
34 matters in connection with the construction and operation of the
35 premises. For the purpose of reviewing any application for a license
36 and for considering the denial, suspension, revocation, cancellation,
37 or renewal or denial thereof, of any license, the ((~~state liquor and~~
38 ~~cannabis~~)) board may consider any prior criminal ((~~conduct~~)) arrests
39 or convictions of the applicant ((~~including an~~)), any public safety

1 administrative violation history record with the ((~~state liquor and~~
2 ~~cannabis~~)) board, and a criminal history record information check.
3 The ((~~state liquor and cannabis~~)) board may submit the criminal
4 history record information check to the Washington state patrol and
5 to the identification division of the federal bureau of investigation
6 in order that these agencies may search their records for prior
7 arrests and convictions of the individual or individuals who filled
8 out the forms. The ((~~state liquor and cannabis~~)) board must require
9 fingerprinting of any applicant whose criminal history record
10 information check is submitted to the federal bureau of
11 investigation. The provisions of RCW 9.95.240 and of chapter 9.96A
12 RCW do not apply to these cases. Subject to the provisions of this
13 section, the ((~~state liquor and cannabis~~)) board may, in its
14 discretion, grant or deny the renewal or license applied for. Denial
15 may be based on, without limitation, the existence of chronic illegal
16 activity documented in objections submitted pursuant to subsections
17 (7)(c) and (10) of this section. Authority to approve an uncontested
18 or unopposed license may be granted by the ((~~state liquor and~~
19 ~~cannabis~~)) board to any staff member the board designates in writing.
20 Conditions for granting this authority must be adopted by rule.

21 (b) No license of any kind may be issued to:

22 (i) A person under the age of twenty-one years;

23 (ii) A person doing business as a sole proprietor who has not
24 lawfully resided in the state for at least six months prior to
25 applying to receive a license;

26 (iii) A partnership, employee cooperative, association, nonprofit
27 corporation, or corporation unless formed under the laws of this
28 state, and unless all of the members thereof are qualified to obtain
29 a license as provided in this section; or

30 (iv) A person whose place of business is conducted by a manager
31 or agent, unless the manager or agent possesses the same
32 qualifications required of the licensee.

33 (2)(a) The ((~~state liquor and cannabis~~)) board may, in its
34 discretion, subject to ((~~the provisions of~~)) sections 2, 3, and 6 of
35 this act, RCW 69.50.334, and 69.50.342(3) suspend or cancel any
36 license; and all protections of the licensee from criminal or civil
37 sanctions under state law for producing, processing, researching, or
38 selling marijuana, marijuana concentrates, useable marijuana, or
39 marijuana-infused products thereunder must be suspended or
40 terminated, as the case may be.

1 (b) The (~~state liquor and cannabis~~) board must immediately
2 suspend the license of a person who has been certified pursuant to
3 RCW 74.20A.320 by the department of social and health services as a
4 person who is not in compliance with a support order. If the person
5 has continued to meet all other requirements for reinstatement during
6 the suspension, reissuance of the license is automatic upon the
7 (~~state liquor and cannabis~~) board's receipt of a release issued by
8 the department of social and health services stating that the
9 licensee is in compliance with the order.

10 (c) The (~~state liquor and cannabis~~) board may request the
11 appointment of administrative law judges under chapter 34.12 RCW who
12 shall have power to administer oaths, issue subpoenas for the
13 attendance of witnesses and the production of papers, books,
14 accounts, documents, and testimony, examine witnesses, (~~and to~~)
15 receive testimony in any inquiry, investigation, hearing, or
16 proceeding in any part of the state, and consider mitigating and
17 aggravating circumstances in any case and deviate from any prescribed
18 penalty, under rules (~~and regulations~~) the (~~state liquor and~~
19 ~~cannabis~~) board may adopt.

20 (d) Witnesses must be allowed fees and mileage each way to and
21 from any inquiry, investigation, hearing, or proceeding at the rate
22 authorized by RCW 34.05.446. Fees need not be paid in advance of
23 appearance of witnesses to testify or to produce books, records, or
24 other legal evidence.

25 (e) In case of disobedience of any person to comply with the
26 order of the (~~state liquor and cannabis~~) board or a subpoena issued
27 by the (~~state liquor and cannabis~~) board, or any of its members, or
28 administrative law judges, or on the refusal of a witness to testify
29 to any matter regarding which he or she may be lawfully interrogated,
30 the judge of the superior court of the county in which the person
31 resides, on application of any member of the board or administrative
32 law judge, compels obedience by contempt proceedings, as in the case
33 of disobedience of the requirements of a subpoena issued from said
34 court or a refusal to testify therein.

35 (3) Upon receipt of notice of the suspension or cancellation of a
36 license, the licensee must forthwith deliver up the license to the
37 (~~state liquor and cannabis~~) board. Where the license has been
38 suspended only, the (~~state liquor and cannabis~~) board must return
39 the license to the licensee at the expiration or termination of the
40 period of suspension. The (~~state liquor and cannabis~~) board must

1 notify all other licensees in the county where the subject licensee
2 has its premises of the suspension or cancellation of the license;
3 and no other licensee or employee of another licensee may allow or
4 cause any marijuana, marijuana concentrates, useable marijuana, or
5 marijuana-infused products to be delivered to or for any person at
6 the premises of the subject licensee.

7 (4) Every license issued under this chapter is subject to all
8 conditions and restrictions imposed by this chapter or by rules
9 adopted by the (~~state liquor and cannabis~~) board to implement and
10 enforce this chapter. All conditions and restrictions imposed by the
11 (~~state liquor and cannabis~~) board in the issuance of an individual
12 license must be listed on the face of the individual license along
13 with the trade name, address, and expiration date.

14 (5) Every licensee must post and keep posted its license, or
15 licenses, in a conspicuous place on the premises.

16 (6) No licensee may employ any person under the age of twenty-one
17 years.

18 (7) (a) Before the (~~state liquor and cannabis~~) board issues a
19 new or renewed license to an applicant it must give notice of the
20 application to the chief executive officer of the incorporated city
21 or town, if the application is for a license within an incorporated
22 city or town, or to the county legislative authority, if the
23 application is for a license outside the boundaries of incorporated
24 cities or towns, or to the tribal government if the application is
25 for a license within Indian country, or to the port authority if the
26 application for a license is located on property owned by a port
27 authority.

28 (b) The incorporated city or town through the official or
29 employee selected by it, the county legislative authority or the
30 official or employee selected by it, the tribal government, or port
31 authority has the right to file with the (~~state liquor and
32 cannabis~~) board within twenty days after the date of transmittal of
33 the notice for applications, or at least thirty days prior to the
34 expiration date for renewals, written objections against the
35 applicant or against the premises for which the new or renewed
36 license is asked. The (~~state liquor and cannabis~~) board may extend
37 the time period for submitting written objections upon request from
38 the authority notified by the (~~state liquor and cannabis~~) board.

39 (c) The written objections must include a statement of all facts
40 upon which the objections are based, and in case written objections

1 are filed, the city or town or county legislative authority may
2 request, and the ((~~state liquor and cannabis~~)) board may in its
3 discretion hold, a hearing subject to the applicable provisions of
4 Title 34 RCW. If the ((~~state liquor and cannabis~~)) board makes an
5 initial decision to deny a license or renewal based on the written
6 objections of an incorporated city or town or county legislative
7 authority, the applicant may request a hearing subject to the
8 applicable provisions of Title 34 RCW. If a hearing is held at the
9 request of the applicant, ((~~state liquor and cannabis~~)) board
10 representatives must present and defend the ((~~state liquor and~~
11 ~~cannabis~~)) board's initial decision to deny a license or renewal.

12 (d) Upon the granting of a license under this title the ((~~state~~
13 ~~liquor and cannabis~~)) board must send written notification to the
14 chief executive officer of the incorporated city or town in which the
15 license is granted, or to the county legislative authority if the
16 license is granted outside the boundaries of incorporated cities or
17 towns.

18 (8)(a) Except as provided in (b) through (d) of this subsection,
19 the ((~~state liquor and cannabis~~)) board may not issue a license for
20 any premises within one thousand feet of the perimeter of the grounds
21 of any elementary or secondary school, playground, recreation center
22 or facility, child care center, public park, public transit center,
23 or library, or any game arcade admission to which is not restricted
24 to persons aged twenty-one years or older.

25 (b) A city, county, or town may permit the licensing of premises
26 within one thousand feet but not less than one hundred feet of the
27 facilities described in (a) of this subsection, except elementary
28 schools, secondary schools, and playgrounds, by enacting an ordinance
29 authorizing such distance reduction, provided that such distance
30 reduction will not negatively impact the jurisdiction's civil
31 regulatory enforcement, criminal law enforcement interests, public
32 safety, or public health.

33 (c) A city, county, or town may permit the licensing of research
34 premises allowed under RCW 69.50.372 within one thousand feet but not
35 less than one hundred feet of the facilities described in (a) of this
36 subsection by enacting an ordinance authorizing such distance
37 reduction, provided that the ordinance will not negatively impact the
38 jurisdiction's civil regulatory enforcement, criminal law
39 enforcement, public safety, or public health.

1 (d) The (~~state liquor and cannabis~~) board may license premises
2 located in compliance with the distance requirements set in an
3 ordinance adopted under (b) or (c) of this subsection. Before issuing
4 or renewing a research license for premises within one thousand feet
5 but not less than one hundred feet of an elementary school, secondary
6 school, or playground in compliance with an ordinance passed pursuant
7 to (c) of this subsection, the board must ensure that the facility:

8 (i) Meets a security standard exceeding that which applies to
9 marijuana producer, processor, or retailer licensees;

10 (ii) Is inaccessible to the public and no part of the operation
11 of the facility is in view of the general public; and

12 (iii) Bears no advertising or signage indicating that it is a
13 marijuana research facility.

14 (e) The (~~state liquor and cannabis~~) board may not issue a
15 license for any premises within Indian country, as defined in 18
16 U.S.C. Sec. 1151, including any fee patent lands within the exterior
17 boundaries of a reservation, without the consent of the federally
18 recognized tribe associated with the reservation or Indian country.

19 (9) A city, town, or county may adopt an ordinance prohibiting a
20 marijuana producer or marijuana processor from operating or locating
21 a business within areas zoned primarily for residential use or rural
22 use with a minimum lot size of five acres or smaller.

23 (10) In determining whether to grant or deny a license or renewal
24 of any license, the (~~state liquor and cannabis~~) board must give
25 substantial weight to objections from an incorporated city or town or
26 county legislative authority based upon chronic illegal activity
27 associated with the applicant's operations of the premises proposed
28 to be licensed or the applicant's operation of any other licensed
29 premises, or the conduct of the applicant's patrons inside or outside
30 the licensed premises. "Chronic illegal activity" means (a) a
31 pervasive pattern of activity that threatens the public health,
32 safety, and welfare of the city, town, or county including, but not
33 limited to, open container violations, assaults, disturbances,
34 disorderly conduct, or other criminal law violations, or as
35 documented in crime statistics, police reports, emergency medical
36 response data, calls for service, field data, or similar records of a
37 law enforcement agency for the city, town, county, or any other
38 municipal corporation or any state agency; or (b) an unreasonably
39 high number of citations for violations of RCW 46.61.502 associated
40 with the applicant's or licensee's operation of any licensed premises

1 as indicated by the reported statements given to law enforcement upon
2 arrest.

3 NEW SECTION. **Sec. 8.** A new section is added to chapter 69.50
4 RCW to read as follows:

5 (1) This section applies to the board's issuance of
6 administrative violations to licensed marijuana producers,
7 processors, retailers, transporters, and researchers, when a
8 settlement conference is held between a hearing officer or designee
9 of the board and the marijuana licensee that received a notice of an
10 alleged administrative violation or violations.

11 (2) If a settlement agreement is entered between a marijuana
12 licensee and a hearing officer or designee of the board at or after a
13 settlement conference, the terms of the settlement agreement must be
14 given substantial weight by the board.

15 (3) For the purposes of this section:

16 (a) "Settlement agreement" means the agreement or compromise
17 between a licensed marijuana producer, processor, retailer,
18 researcher, transporter, or researcher and the hearing officer or
19 designee of the board with authority to participate in the settlement
20 conference, that:

21 (i) Includes the terms of the agreement or compromise regarding
22 an alleged violation or violations by the licensee of this chapter,
23 chapter 69.51A RCW, or rules adopted under either chapter, and any
24 related penalty or licensing restriction; and

25 (ii) Is in writing and signed by the licensee and the hearing
26 officer or designee of the board.

27 (b) "Settlement conference" means a meeting or discussion between
28 a licensed marijuana producer, processor, retailer, researcher,
29 transporter, researcher, or authorized representative of any of the
30 preceding licensees, and a hearing officer or designee of the board,
31 held for purposes such as discussing the circumstances surrounding an
32 alleged violation of law or rules by the licensee, the recommended
33 penalty, and any aggravating or mitigating factors, and that is
34 intended to resolve the alleged violation before an administrative
35 hearing or judicial proceeding is initiated.

36 **Sec. 9.** RCW 69.50.101 and 2018 c 132 s 2 are each reenacted and
37 amended to read as follows:

1 The definitions in this section apply throughout this chapter
2 unless the context clearly requires otherwise.

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

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

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

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

14 (c) "CBD concentration" has the meaning provided in RCW
15 69.51A.010.

16 (d) "CBD product" means any product containing or consisting of
17 cannabidiol.

18 (e) "Commission" means the pharmacy quality assurance commission.

19 (f) "Controlled substance" means a drug, substance, or immediate
20 precursor included in Schedules I through V as set forth in federal
21 or state laws, or federal or commission rules, but does not include
22 industrial hemp as defined in RCW 15.120.010.

23 (g) (1) "Controlled substance analog" means a substance the
24 chemical structure of which is substantially similar to the chemical
25 structure of a controlled substance in Schedule I or II and:

26 (i) that has a stimulant, depressant, or hallucinogenic effect on
27 the central nervous system substantially similar to the stimulant,
28 depressant, or hallucinogenic effect on the central nervous system of
29 a controlled substance included in Schedule I or II; or

30 (ii) with respect to a particular individual, that the individual
31 represents or intends to have a stimulant, depressant, or
32 hallucinogenic effect on the central nervous system substantially
33 similar to the stimulant, depressant, or hallucinogenic effect on the
34 central nervous system of a controlled substance included in Schedule
35 I or II.

36 (2) The term does not include:

37 (i) a controlled substance;

38 (ii) a substance for which there is an approved new drug
39 application;

1 (iii) a substance with respect to which an exemption is in effect
2 for investigational use by a particular person under Section 505 of
3 the federal food, drug, and cosmetic act, 21 U.S.C. Sec. 355, or
4 chapter 69.77 RCW to the extent conduct with respect to the substance
5 is pursuant to the exemption; or

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

9 (h) "Deliver" or "delivery" means the actual or constructive
10 transfer from one person to another of a substance, whether or not
11 there is an agency relationship.

12 (i) "Department" means the department of health.

13 (j) "Designated provider" has the meaning provided in RCW
14 69.51A.010.

15 (k) "Dispense" means the interpretation of a prescription or
16 order for a controlled substance and, pursuant to that prescription
17 or order, the proper selection, measuring, compounding, labeling, or
18 packaging necessary to prepare that prescription or order for
19 delivery.

20 (l) "Dispenser" means a practitioner who dispenses.

21 (m) "Distribute" means to deliver other than by administering or
22 dispensing a controlled substance.

23 (n) "Distributor" means a person who distributes.

24 (o) "Drug" means (1) a controlled substance recognized as a drug
25 in the official United States pharmacopoeia/national formulary or the
26 official homeopathic pharmacopoeia of the United States, or any
27 supplement to them; (2) controlled substances intended for use in the
28 diagnosis, cure, mitigation, treatment, or prevention of disease in
29 individuals or animals; (3) controlled substances (other than food)
30 intended to affect the structure or any function of the body of
31 individuals or animals; and (4) controlled substances intended for
32 use as a component of any article specified in (1), (2), or (3) of
33 this subsection. The term does not include devices or their
34 components, parts, or accessories.

35 (p) "Drug enforcement administration" means the drug enforcement
36 administration in the United States Department of Justice, or its
37 successor agency.

38 (q) "Electronic communication of prescription information" means
39 the transmission of a prescription or refill authorization for a drug
40 of a practitioner using computer systems. The term does not include a

1 prescription or refill authorization verbally transmitted by
2 telephone nor a facsimile manually signed by the practitioner.

3 (r) "Immature plant or clone" means a plant or clone that has no
4 flowers, is less than twelve inches in height, and is less than
5 twelve inches in diameter.

6 (s) "Immediate precursor" means a substance:

7 (1) that the commission has found to be and by rule designates as
8 being the principal compound commonly used, or produced primarily for
9 use, in the manufacture of a controlled substance;

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

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

14 (t) "Isomer" means an optical isomer, but in subsection (ff)(5)
15 of this section, RCW 69.50.204(a) (12) and (34), and 69.50.206(b)(4),
16 the term includes any geometrical isomer; in RCW 69.50.204(a) (8) and
17 (42), and 69.50.210(c) the term includes any positional isomer; and
18 in RCW 69.50.204(a)(35), 69.50.204(c), and 69.50.208(a) the term
19 includes any positional or geometric isomer.

20 (u) "Lot" means a definite quantity of marijuana, marijuana
21 concentrates, useable marijuana, or marijuana-infused product
22 identified by a lot number, every portion or package of which is
23 uniform within recognized tolerances for the factors that appear in
24 the labeling.

25 (v) "Lot number" must identify the licensee by business or trade
26 name and Washington state unified business identifier number, and the
27 date of harvest or processing for each lot of marijuana, marijuana
28 concentrates, useable marijuana, or marijuana-infused product.

29 (w) "Manufacture" means the production, preparation, propagation,
30 compounding, conversion, or processing of a controlled substance,
31 either directly or indirectly or by extraction from substances of
32 natural origin, or independently by means of chemical synthesis, or
33 by a combination of extraction and chemical synthesis, and includes
34 any packaging or repackaging of the substance or labeling or
35 relabeling of its container. The term does not include the
36 preparation, compounding, packaging, repackaging, labeling, or
37 relabeling of a controlled substance:

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

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

5 (x) "Marijuana" or "marihuana" means all parts of the plant
6 *Cannabis*, whether growing or not, with a THC concentration greater
7 than 0.3 percent on a dry weight basis; the seeds thereof; the resin
8 extracted from any part of the plant; and every compound,
9 manufacture, salt, derivative, mixture, or preparation of the plant,
10 its seeds or resin. The term does not include:

11 (1) The mature stalks of the plant, fiber produced from the
12 stalks, oil or cake made from the seeds of the plant, any other
13 compound, manufacture, salt, derivative, mixture, or preparation of
14 the mature stalks (except the resin extracted therefrom), fiber, oil,
15 or cake, or the sterilized seed of the plant which is incapable of
16 germination; or

17 (2) Industrial hemp as defined in RCW 15.120.010.

18 (y) "Marijuana concentrates" means products consisting wholly or
19 in part of the resin extracted from any part of the plant *Cannabis*
20 and having a THC concentration greater than ten percent.

21 (z) "Marijuana processor" means a person licensed by the state
22 liquor and cannabis board to process marijuana into marijuana
23 concentrates, useable marijuana, and marijuana-infused products,
24 package and label marijuana concentrates, useable marijuana, and
25 marijuana-infused products for sale in retail outlets, and sell
26 marijuana concentrates, useable marijuana, and marijuana-infused
27 products at wholesale to marijuana retailers.

28 (aa) "Marijuana producer" means a person licensed by the state
29 liquor and cannabis board to produce and sell marijuana at wholesale
30 to marijuana processors and other marijuana producers.

31 (bb) "Marijuana products" means useable marijuana, marijuana
32 concentrates, and marijuana-infused products as defined in this
33 section.

34 (cc) "Marijuana researcher" means a person licensed by the state
35 liquor and cannabis board to produce, process, and possess marijuana
36 for the purposes of conducting research on marijuana and marijuana-
37 derived drug products.

38 (dd) "Marijuana retailer" means a person licensed by the state
39 liquor and cannabis board to sell marijuana concentrates, useable
40 marijuana, and marijuana-infused products in a retail outlet.

1 (ee) "Marijuana-infused products" means products that contain
2 marijuana or marijuana extracts, are intended for human use, are
3 derived from marijuana as defined in subsection (x) of this section,
4 and have a THC concentration no greater than ten percent. The term
5 "marijuana-infused products" does not include either useable
6 marijuana or marijuana concentrates.

7 (ff) "Narcotic drug" means any of the following, whether produced
8 directly or indirectly by extraction from substances of vegetable
9 origin, or independently by means of chemical synthesis, or by a
10 combination of extraction and chemical synthesis:

11 (1) Opium, opium derivative, and any derivative of opium or opium
12 derivative, including their salts, isomers, and salts of isomers,
13 whenever the existence of the salts, isomers, and salts of isomers is
14 possible within the specific chemical designation. The term does not
15 include the isoquinoline alkaloids of opium.

16 (2) Synthetic opiate and any derivative of synthetic opiate,
17 including their isomers, esters, ethers, salts, and salts of isomers,
18 esters, and ethers, whenever the existence of the isomers, esters,
19 ethers, and salts is possible within the specific chemical
20 designation.

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

22 (4) Coca leaves, except coca leaves and extracts of coca leaves
23 from which cocaine, ecgonine, and derivatives or ecgonine or their
24 salts have been removed.

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

26 (6) Cocaine base.

27 (7) Ecgonine, or any derivative, salt, isomer, or salt of isomer
28 thereof.

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

31 (gg) "Opiate" means any substance having an addiction-forming or
32 addiction-sustaining liability similar to morphine or being capable
33 of conversion into a drug having addiction-forming or addiction-
34 sustaining liability. The term includes opium, substances derived
35 from opium (opium derivatives), and synthetic opiates. The term does
36 not include, unless specifically designated as controlled under RCW
37 69.50.201, the dextrorotatory isomer of 3-methoxy-n-methylmorphinan
38 and its salts (dextromethorphan). The term includes the racemic and
39 levorotatory forms of dextromethorphan.

1 (hh) "Opium poppy" means the plant of the species *Papaver*
2 *somniferum* L., except its seeds.

3 (ii) "Person" means individual, corporation, business trust,
4 estate, trust, partnership, association, joint venture, government,
5 governmental subdivision or agency, or any other legal or commercial
6 entity.

7 (jj) "Plant" has the meaning provided in RCW 69.51A.010.

8 (kk) "Poppy straw" means all parts, except the seeds, of the
9 opium poppy, after mowing.

10 (ll) "Practitioner" means:

11 (1) A physician under chapter 18.71 RCW; a physician assistant
12 under chapter 18.71A RCW; an osteopathic physician and surgeon under
13 chapter 18.57 RCW; an osteopathic physician assistant under chapter
14 18.57A RCW who is licensed under RCW 18.57A.020 subject to any
15 limitations in RCW 18.57A.040; an optometrist licensed under chapter
16 18.53 RCW who is certified by the optometry board under RCW 18.53.010
17 subject to any limitations in RCW 18.53.010; a dentist under chapter
18 18.32 RCW; a podiatric physician and surgeon under chapter 18.22 RCW;
19 a veterinarian under chapter 18.92 RCW; a registered nurse, advanced
20 registered nurse practitioner, or licensed practical nurse under
21 chapter 18.79 RCW; a naturopathic physician under chapter 18.36A RCW
22 who is licensed under RCW 18.36A.030 subject to any limitations in
23 RCW 18.36A.040; a pharmacist under chapter 18.64 RCW or a scientific
24 investigator under this chapter, licensed, registered or otherwise
25 permitted insofar as is consistent with those licensing laws to
26 distribute, dispense, conduct research with respect to or administer
27 a controlled substance in the course of their professional practice
28 or research in this state.

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

33 (3) A physician licensed to practice medicine and surgery, a
34 physician licensed to practice osteopathic medicine and surgery, a
35 dentist licensed to practice dentistry, a podiatric physician and
36 surgeon licensed to practice podiatric medicine and surgery, a
37 licensed physician assistant or a licensed osteopathic physician
38 assistant specifically approved to prescribe controlled substances by
39 his or her state's medical quality assurance commission or equivalent
40 and his or her supervising physician, an advanced registered nurse

1 practitioner licensed to prescribe controlled substances, or a
2 veterinarian licensed to practice veterinary medicine in any state of
3 the United States.

4 (mm) "Prescription" means an order for controlled substances
5 issued by a practitioner duly authorized by law or rule in the state
6 of Washington to prescribe controlled substances within the scope of
7 his or her professional practice for a legitimate medical purpose.

8 (nn) "Production" includes the manufacturing, planting,
9 cultivating, growing, or harvesting of a controlled substance.

10 (oo) "Qualifying patient" has the meaning provided in RCW
11 69.51A.010.

12 (pp) "Recognition card" has the meaning provided in RCW
13 69.51A.010.

14 (qq) "Retail outlet" means a location licensed by the state
15 liquor and cannabis board for the retail sale of marijuana
16 concentrates, useable marijuana, and marijuana-infused products.

17 (rr) "Secretary" means the secretary of health or the secretary's
18 designee.

19 (ss) "State," unless the context otherwise requires, means a
20 state of the United States, the District of Columbia, the
21 Commonwealth of Puerto Rico, or a territory or insular possession
22 subject to the jurisdiction of the United States.

23 (tt) "THC concentration" means percent of delta-9
24 tetrahydrocannabinol content per dry weight of any part of the plant
25 *Cannabis*, or per volume or weight of marijuana product, or the
26 combined percent of delta-9 tetrahydrocannabinol and
27 tetrahydrocannabinolic acid in any part of the plant *Cannabis*
28 regardless of moisture content.

29 (uu) "Ultimate user" means an individual who lawfully possesses a
30 controlled substance for the individual's own use or for the use of a
31 member of the individual's household or for administering to an
32 animal owned by the individual or by a member of the individual's
33 household.

34 (vv) "Useable marijuana" means dried marijuana flowers. The term
35 "useable marijuana" does not include either marijuana-infused
36 products or marijuana concentrates.

37 (ww) "Board" means the Washington state liquor and cannabis
38 board.

1 **Sec. 10.** RCW 42.56.270 and 2018 c 201 s 8008, 2018 c 196 s 21,
2 and 2018 c 4 s 9 are each reenacted and amended to read as follows:

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

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

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

14 (3) Financial and commercial information and records supplied by
15 private persons pertaining to export services provided under chapters
16 43.163 and 53.31 RCW, and by persons pertaining to export projects
17 under RCW 43.23.035;

18 (4) Financial and commercial information and records supplied by
19 businesses or individuals during application for loans or program
20 services provided by chapters 43.325, 43.163, 43.160, 43.330, and
21 43.168 RCW, or during application for economic development loans or
22 program services provided by any local agency;

23 (5) Financial information, business plans, examination reports,
24 and any information produced or obtained in evaluating or examining a
25 business and industrial development corporation organized or seeking
26 certification under chapter 31.24 RCW;

27 (6) Financial and commercial information supplied to the state
28 investment board by any person when the information relates to the
29 investment of public trust or retirement funds and when disclosure
30 would result in loss to such funds or in private loss to the
31 providers of this information;

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

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

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

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

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

13 (c) Valuable formulae or financial or proprietary commercial
14 information records received during a consultative visit or while
15 providing consultative services to a licensed marijuana business in
16 accordance with section 5 of this act;

17 (11) Proprietary data, trade secrets, or other information that
18 relates to: (a) A vendor's unique methods of conducting business; (b)
19 data unique to the product or services of the vendor; or (c)
20 determining prices or rates to be charged for services, submitted by
21 any vendor to the department of social and health services or the
22 health care authority for purposes of the development, acquisition,
23 or implementation of state purchased health care as defined in RCW
24 41.05.011;

25 (12)(a) When supplied to and in the records of the department of
26 commerce:

27 (i) Financial and proprietary information collected from any
28 person and provided to the department of commerce pursuant to RCW
29 43.330.050(8); and

30 (ii) Financial or proprietary information collected from any
31 person and provided to the department of commerce or the office of
32 the governor in connection with the siting, recruitment, expansion,
33 retention, or relocation of that person's business and until a siting
34 decision is made, identifying information of any person supplying
35 information under this subsection and the locations being considered
36 for siting, relocation, or expansion of a business;

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

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

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

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

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

17 (15) Financial and commercial information provided as evidence to
18 the department of licensing as required by RCW 19.112.110 or
19 19.112.120, except information disclosed in aggregate form that does
20 not permit the identification of information related to individual
21 fuel licensees;

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

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

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

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

38 (19) Information gathered under chapter 19.85 RCW or RCW
39 34.05.328 that can be identified to a particular business;

1 (20) Financial and commercial information submitted to or
2 obtained by the University of Washington, other than information the
3 university is required to disclose under RCW 28B.20.150, when the
4 information relates to investments in private funds, to the extent
5 that such information, if revealed, would reasonably be expected to
6 result in loss to the University of Washington consolidated endowment
7 fund or to result in private loss to the providers of this
8 information;

9 (21) Market share data submitted by a manufacturer under RCW
10 70.95N.190(4);

11 (22) Financial information supplied to the department of
12 financial institutions or to a portal under RCW 21.20.883, when filed
13 by or on behalf of an issuer of securities for the purpose of
14 obtaining the exemption from state securities registration for small
15 securities offerings provided under RCW 21.20.880 or when filed by or
16 on behalf of an investor for the purpose of purchasing such
17 securities;

18 (23) Unaggregated or individual notices of a transfer of crude
19 oil that is financial, proprietary, or commercial information,
20 submitted to the department of ecology pursuant to RCW
21 90.56.565(1)(a), and that is in the possession of the department of
22 ecology or any entity with which the department of ecology has shared
23 the notice pursuant to RCW 90.56.565;

24 (24) Financial institution and retirement account information,
25 and building security plan information, supplied to the liquor and
26 cannabis board pursuant to RCW 69.50.325, 69.50.331, 69.50.342, and
27 69.50.345, when filed by or on behalf of a licensee or prospective
28 licensee for the purpose of obtaining, maintaining, or renewing a
29 license to produce, process, transport, or sell marijuana as allowed
30 under chapter 69.50 RCW;

31 (25) Marijuana transport information, vehicle and driver
32 identification data, and account numbers or unique access identifiers
33 issued to private entities for traceability system access, submitted
34 by an individual or business to the liquor and cannabis board under
35 the requirements of RCW 69.50.325, 69.50.331, 69.50.342, and
36 69.50.345 for the purpose of marijuana product traceability.
37 Disclosure to local, state, and federal officials is not considered
38 public disclosure for purposes of this section;

39 (26) Financial and commercial information submitted to or
40 obtained by the retirement board of any city that is responsible for

1 the management of an employees' retirement system pursuant to the
2 authority of chapter 35.39 RCW, when the information relates to
3 investments in private funds, to the extent that such information, if
4 revealed, would reasonably be expected to result in loss to the
5 retirement fund or to result in private loss to the providers of this
6 information except that (a) the names and commitment amounts of the
7 private funds in which retirement funds are invested and (b) the
8 aggregate quarterly performance results for a retirement fund's
9 portfolio of investments in such funds are subject to disclosure;

10 (27) Proprietary financial, commercial, operations, and technical
11 and research information and data submitted to or obtained by the
12 liquor and cannabis board in applications for marijuana research
13 licenses under RCW 69.50.372, or in reports submitted by marijuana
14 research licensees in accordance with rules adopted by the liquor and
15 cannabis board under RCW 69.50.372;

16 (28) Trade secrets, technology, proprietary information, and
17 financial considerations contained in any agreements or contracts,
18 entered into by a licensed marijuana business under RCW 69.50.395,
19 which may be submitted to or obtained by the state liquor and
20 cannabis board; and

21 (29) Financial, commercial, operations, and technical and
22 research information and data submitted to or obtained by the Andy
23 Hill cancer research endowment program in applications for, or
24 delivery of, grants under chapter 43.348 RCW, to the extent that such
25 information, if revealed, would reasonably be expected to result in
26 private loss to providers of this information; and

27 (30) Proprietary information filed with the department of health
28 under chapter 69.48 RCW.

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