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**SECOND SUBSTITUTE HOUSE BILL 1668**

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**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** House Appropriations (originally sponsored by Representatives Kloba, Wylie, and Young; by request of Liquor and Cannabis Board)

READ FIRST TIME 02/07/22.

1 AN ACT Relating to expanding regulatory authority over  
2 cannabinoids that may be impairing and providing for enhanced product  
3 safety and consumer information disclosure about marijuana products;  
4 amending RCW 69.50.325, 69.50.326, 69.50.342, 69.50.363, 69.50.455,  
5 69.50.375, 82.08.9998, and 82.12.9998; reenacting and amending RCW  
6 69.50.101; adding new sections to chapter 69.50 RCW; creating a new  
7 section; and providing an effective date.

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

9 NEW SECTION. **Sec. 1.** Due to the evolving nature of new  
10 cannabinoids being identified in the plant *Cannabis* that may be  
11 impairing, the legislature finds there is a need to provide consumers  
12 legal access to products that have been tested and which meet the  
13 same standards for quality and safety as delta-9  
14 tetrahydrocannabinol. The legislature further finds there is a need  
15 to require labeling, serving size, potency, and ingredient disclosure  
16 standards for any impairing cannabinoid product. The legislature  
17 further finds there is a need to distinguish cannabinoids derived  
18 from natural plants that are prepared for human consumption and the  
19 more unpredictable artificial cannabinoids created solely through  
20 chemical reactions. The legislature further recognizes the need to  
21 maintain clarity between plants defined as marijuana and plants

1 defined as hemp. The primary purpose of this act is to authorize the  
2 liquor and cannabis board to regulate all cannabinoids that may be  
3 impairing, regardless of origin, and to direct the board to adopt  
4 rules related to cannabinoid products and *Cannabis* isolates, except  
5 those authorized as a drug by the federal food and drug  
6 administration.

7 **Sec. 2.** RCW 69.50.101 and 2020 c 133 s 2 and 2020 c 80 s 43 are  
8 each reenacted and amended to read as follows:

9 The definitions in this section apply throughout this chapter  
10 unless the context clearly requires otherwise.

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

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

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

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

22 (c) "Artificial cannabinoid" means a solely chemically created  
23 substance that does not originate from the plant *Cannabis* but is  
24 structurally the same or substantially similar to the molecular  
25 structure of any substance derived from the plant *Cannabis* that may  
26 be a cannabinoid receptor agonist and includes, but is not limited  
27 to, any material, compound, mixture, or preparation that is not  
28 listed as a controlled substance in Schedules I through V of the  
29 Washington state controlled substances act. Artificial cannabinoids  
30 do not include:

31 (1) A naturally occurring chemical substance that is separated  
32 from the plant *Cannabis* by a chemical or mechanical extraction  
33 process;

34 (2) Cannabinoids that are produced by decarboxylation from a  
35 naturally occurring cannabinoid acid without the use of a chemical  
36 catalyst; or

37 (3) Any other chemical substance resembling in any manner a  
38 compound found in the plant *Cannabis* that is identified by the board  
39 in consultation with the department, by rule.

1 (d) "Board" means the Washington state liquor and cannabis board.

2 ~~((d))~~ (e) "Cannabinoid" means any of the chemical compounds  
3 that are the active constituents of the plant Cannabis and their  
4 acids including, but not limited to, tetrahydrocannabinol,  
5 tetrahydrocannabinolic acid, cannabidiol, cannabidiolic acid,  
6 cannabinol, cannabigerol, cannabichromene, cannabicyclol,  
7 cannabivarin, tetrahydrocannabivarin, cannabidivarin,  
8 cannabichromevarin, cannabigerovarin, cannabigerol monomethyl ether,  
9 cannabielsoin, and cannabicitran. Cannabinoids do not include  
10 artificial cannabinoids.

11 (f) "Catalyst" means a substance that increases the rate of a  
12 chemical reaction without itself undergoing any permanent chemical  
13 change.

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

16 ~~((e))~~ (h) "CBD product" means any product containing or  
17 consisting of cannabidiol that does not exceed 0.3 percent THC on a  
18 dry weight basis and that does not contain more than 0.5 milligrams  
19 per serving or two milligrams total in the packaged product of a  
20 cannabinoid that may be impairing.

21 ~~((f))~~ (i) "Commission" means the pharmacy quality assurance  
22 commission.

23 ~~((g))~~ (j) "Controlled substance" means a drug, substance, or  
24 immediate precursor included in Schedules I through V as set forth in  
25 federal or state laws, or federal or commission rules, but does not  
26 include hemp or industrial hemp as defined in RCW 15.140.020.

27 ~~((h))~~ (k) (1) "Controlled substance analog" means a substance  
28 the chemical structure of which is substantially similar to the  
29 chemical structure of a controlled substance in Schedule I or II and:

30 (i) that has a stimulant, depressant, or hallucinogenic effect on  
31 the central nervous system substantially similar to the stimulant,  
32 depressant, or hallucinogenic effect on the central nervous system of  
33 a controlled substance included in Schedule I or II; or

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

40 (2) The term does not include:

1 (i) a controlled substance;

2 (ii) a substance for which there is an approved new drug  
3 application;

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

9 (iv) any substance to the extent not intended for human  
10 consumption before an exemption takes effect with respect to the  
11 substance.

12 (~~(i)~~) (l) "Deliver" or "delivery" means the actual or  
13 constructive transfer from one person to another of a substance,  
14 whether or not there is an agency relationship.

15 (~~(j)~~) (m) "Department" means the department of health.

16 (~~(k)~~) (n) "Designated provider" has the meaning provided in RCW  
17 69.51A.010.

18 (~~(l)~~) (o) "Dispense" means the interpretation of a prescription  
19 or order for a controlled substance and, pursuant to that  
20 prescription or order, the proper selection, measuring, compounding,  
21 labeling, or packaging necessary to prepare that prescription or  
22 order for delivery.

23 (~~(m)~~) (p) "Dispenser" means a practitioner who dispenses.

24 (~~(n)~~) (q) "Distillate" means an extract from the plant Cannabis  
25 where a segment of one or more cannabinoids from an initial  
26 extraction are selectively concentrated through a mechanical or  
27 chemical process, or both, with all impurities removed.

28 (r) "Distribute" means to deliver other than by administering or  
29 dispensing a controlled substance.

30 (~~(o)~~) (s) "Distributor" means a person who distributes.

31 (~~(p)~~) (t) "Drug" means (1) a controlled substance recognized as  
32 a drug in the official United States pharmacopoeia/national formulary  
33 or the official homeopathic pharmacopoeia of the United States, or  
34 any supplement to them; (2) controlled substances intended for use in  
35 the diagnosis, cure, mitigation, treatment, or prevention of disease  
36 in individuals or animals; (3) controlled substances (other than  
37 food) intended to affect the structure or any function of the body of  
38 individuals or animals; and (4) controlled substances intended for  
39 use as a component of any article specified in (1), (2), or (3) of

1 this subsection. The term does not include devices or their  
2 components, parts, or accessories.

3 ~~((g))~~ (u) "Drug enforcement administration" means the drug  
4 enforcement administration in the United States Department of  
5 Justice, or its successor agency.

6 ~~((r))~~ (v) "Electronic communication of prescription  
7 information" means the transmission of a prescription or refill  
8 authorization for a drug of a practitioner using computer systems.  
9 The term does not include a prescription or refill authorization  
10 verbally transmitted by telephone nor a facsimile manually signed by  
11 the practitioner.

12 ~~((s))~~ (w) "Extract" means a solid, viscid, or liquid substance  
13 extracted from a plant, or the like, containing its essence in  
14 concentrated or isolated form.

15 (x) "Extraction" means the process to separate or obtain a solid,  
16 viscid, or liquid substance from a plant or parts of a plant, by  
17 pressure, distillation, treatment with solvents, or the like.

18 (y) "Immature plant or clone" means a plant or clone that has no  
19 flowers, is less than twelve inches in height, and is less than  
20 twelve inches in diameter.

21 ~~((t))~~ (z) "Immediate precursor" means a substance:  
22 (1) that the commission has found to be and by rule designates as  
23 being the principal compound commonly used, or produced primarily for  
24 use, in the manufacture of a controlled substance;  
25 (2) that is an immediate chemical intermediary used or likely to  
26 be used in the manufacture of a controlled substance; and  
27 (3) the control of which is necessary to prevent, curtail, or  
28 limit the manufacture of the controlled substance.

29 ~~((u))~~ (aa) "Impairing" in relation to a cannabinoid means a  
30 psychotropic constituent of the plant cannabis which may diminish a  
31 person's cognitive, mental, or physical function or ability. For  
32 purposes only of sections 3, 4, 5, 6, and 7 of this act, the board  
33 may further revise the definition of impairing by rule in accordance  
34 with chapter 34.05 RCW.

35 (bb) "Isolate" means extract from the plant Cannabis of 95  
36 percent or more of a single cannabinoid compound.

37 (cc) "Isomer" means an optical isomer, but in subsection ~~((gg))~~  
38 ~~((oo))~~ (5) of this section, RCW 69.50.204(a) (12) and (34), and  
39 69.50.206(b) (4), the term includes any geometrical isomer; in RCW  
40 69.50.204(a) (8) and (42), and 69.50.210(c) the term includes any

1 positional isomer; and in RCW 69.50.204(a)(35), 69.50.204(c), and  
2 69.50.208(a) the term includes any positional or geometric isomer.

3 ~~((v))~~ (dd) "Lot" means a definite quantity of marijuana,  
4 marijuana concentrates, useable marijuana, or marijuana-infused  
5 product identified by a lot number, every portion or package of which  
6 is uniform within recognized tolerances for the factors that appear  
7 in the labeling.

8 ~~((w))~~ (ee) "Lot number" must identify the licensee by business  
9 or trade name and Washington state unified business identifier  
10 number, and the date of harvest or processing for each lot of  
11 marijuana, marijuana concentrates, useable marijuana, or marijuana-  
12 infused product.

13 ~~((x))~~ (ff) "Manufacture" means the production, preparation,  
14 propagation, compounding, conversion, or processing of a controlled  
15 substance, either directly or indirectly or by extraction from  
16 substances of natural origin, or independently by means of chemical  
17 synthesis, or by a combination of extraction and chemical synthesis,  
18 and includes any packaging or repackaging of the substance or  
19 labeling or relabeling of its container. The term does not include  
20 the preparation, compounding, packaging, repackaging, labeling, or  
21 relabeling of a controlled substance:

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

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

29 ~~((y))~~ (gg) "Marijuana" or "marihuana" means all parts of the  
30 plant *Cannabis* ~~((, whether growing or not,))~~ with a ~~((THC))~~  
31 tetrahydrocannabinol concentration ~~((greater))~~ of more than 0.3  
32 percent on a dry weight basis, whether growing or not; the seeds  
33 thereof; the resin extracted from any part of the plant, including  
34 concentrated resins, cannabinoids, and the products thereof; and  
35 every compound, manufacture, salt, derivative, mixture, or  
36 preparation of the plant, its seeds or resin. The term does not  
37 include:

38 (1) The mature stalks of the plant, fiber produced from the  
39 stalks, oil or cake made from the seeds of the plant, any other  
40 compound, manufacture, salt, derivative, mixture, or preparation of

1 the mature stalks (except the resin extracted therefrom), fiber, oil,  
2 or cake, or the sterilized seed of the plant which is incapable of  
3 germination; or

4 (2) Hemp or industrial hemp as defined in RCW 15.140.020(~~(r)~~) or  
5 seeds used for licensed hemp production under chapter 15.140 RCW,  
6 unless the tetrahydrocannabinol concentration is greater than 0.3  
7 percent on a dry weight basis.

8 (~~(z)~~) (hh) "Marijuana concentrates" means products consisting  
9 wholly or in part of the resin extracted from any part of the plant  
10 *Cannabis* (~~(and having a THC concentration)~~) containing greater than  
11 ten percent total THC such as, but not limited to, kief, live resin,  
12 rosin, hash, or bubble hash.

13 (~~(aa)~~) (ii) "Marijuana processor" means a person licensed by  
14 the board to process marijuana of natural origin, grown by a licensed  
15 producer, either directly or indirectly or by extraction from the  
16 plant Cannabis as defined in subsection (tt) of this section, unless  
17 sourced and used as an additive in accordance with RCW 69.50.326,  
18 into marijuana concentrates, useable marijuana, and marijuana-infused  
19 products, package and label marijuana concentrates, useable  
20 marijuana, and marijuana-infused products for sale in retail outlets,  
21 (and) sell marijuana concentrates, useable marijuana, and  
22 marijuana-infused products for sale in retail outlets, and sell  
23 marijuana concentrates, useable marijuana, and marijuana-infused  
24 products at wholesale to marijuana retailers.

25 (~~(bb)~~) (jj) "Marijuana producer" means a person licensed by the  
26 board to produce, prepare, and propagate marijuana directly from a  
27 natural origin and sell (~~(marijuana)~~) at wholesale to marijuana  
28 processors and other marijuana producers.

29 (~~(cc)~~) (kk) "Marijuana products" means useable marijuana,  
30 marijuana concentrates, and marijuana-infused products as defined in  
31 this section and also includes any product with 0.5 milligrams or  
32 more per serving or two milligrams or more per package of a  
33 cannabinoid that may be impairing or that is marketed as such.

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

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

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

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

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

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

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

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

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

27       (6) Cocaine base.

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

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

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

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

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

7       ~~((kk))~~ (ss) "Plant" has the meaning provided in RCW 69.51A.010.

8       ~~((ll))~~ (tt) "Plant Cannabis" means all plants of the genus  
9 Cannabis, including marijuana as defined in subsection (gg) of this  
10 section, and hemp as defined in RCW 15.140.020.

11       (uu) "Poppy straw" means all parts, except the seeds, of the  
12 opium poppy, after mowing.

13       ~~((mm))~~ (vv) "Practitioner" means:

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

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

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

1 supervising physician, an advanced registered nurse practitioner  
2 licensed to prescribe controlled substances, or a veterinarian  
3 licensed to practice veterinary medicine in any state of the United  
4 States.

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

10 ~~((oo))~~ (xx) "Production" includes the manufacturing, planting,  
11 cultivating, growing, or harvesting of a controlled substance.

12 ~~((pp))~~ (yy) "Qualifying patient" has the meaning provided in  
13 RCW 69.51A.010.

14 ~~((qq))~~ (zz) "Recognition card" has the meaning provided in RCW  
15 69.51A.010.

16 ~~((rr))~~ (aaa) "Retail outlet" means a location licensed by the  
17 board for the retail sale of marijuana concentrates, useable  
18 marijuana, and marijuana-infused products.

19 ~~((ss))~~ (bbb) "Secretary" means the secretary of health or the  
20 secretary's designee.

21 ~~((tt))~~ (ccc) "State," unless the context otherwise requires,  
22 means a state of the United States, the District of Columbia, the  
23 Commonwealth of Puerto Rico, or a territory or insular possession  
24 subject to the jurisdiction of the United States.

25 ~~((uu))~~ (ddd) "Synthetically derived cannabinoid" means any  
26 cannabinoid that is altered by a chemical reaction that changes the  
27 molecular structure of any natural cannabinoid derived from the plant  
28 Cannabis to another cannabinoid found naturally in the plant  
29 Cannabis.

30 (eee) (1) "Tetrahydrocannabinol" or "THC" includes all  
31 tetrahydrocannabinols that are artificially, synthetically, or  
32 naturally derived, including but not limited to delta-8  
33 tetrahydrocannabinol, delta-9 tetrahydrocannabinol, delta-10  
34 tetrahydrocannabinol, THCV tetrahydrocannabivarin, THCP  
35 tetrahydrocannabiphorol, THC-O-Acetate, and the optical isomers of  
36 THC cannabinoids.

37 (2) Notwithstanding (1) of this subsection, tetrahydrocannabinol  
38 includes concentrated resins or cannabinoids, and the products  
39 thereof, produced from the plant Cannabis, whether or not the

1 cannabinoids were derived from a marijuana plant containing a THC  
2 concentration greater than 0.3 percent on a dry weight basis.

3 (fff) "THC concentration" means percent of ((delta-9))  
4 tetrahydrocannabinol content per dry weight of any part of the plant  
5 *Cannabis*, or per volume or weight of marijuana product, or the  
6 combined percent of ((delta-9)) tetrahydrocannabinol and  
7 tetrahydrocannabinolic acid in any part of the plant *Cannabis*  
8 regardless of moisture content.

9 ((-vv)) (ggg) "Total THC" means the sum of the percentage, by  
10 weight or volume measurement of tetrahydrocannabinolic acid  
11 multiplied by 0.877, plus, the percentage by weight or volume  
12 measurement of tetrahydrocannabinol.

13 (hhh) "Ultimate user" means an individual who lawfully possesses  
14 a controlled substance for the individual's own use or for the use of  
15 a member of the individual's household or for administering to an  
16 animal owned by the individual or by a member of the individual's  
17 household.

18 ((-ww)) (iii) "Useable marijuana" means dried marijuana flowers.  
19 The term "useable marijuana" does not include either marijuana-  
20 infused products or marijuana concentrates.

21 ((-xx)) (jjj) "Youth access" means the level of interest persons  
22 under the age of twenty-one may have in a vapor product, as well as  
23 the degree to which the product is available or appealing to such  
24 persons, and the likelihood of initiation, use, or addiction by  
25 adolescents and young adults.

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

28 (a) Products containing or consisting of cannabinoids produced  
29 and processed for any type of consumption into a human body, whether  
30 marketed as such or not, exceeding 0.3 percent THC on a dry weight  
31 basis, that contains more than 0.5 milligrams per serving or two  
32 milligrams total in the packaged product of a cannabinoid that may be  
33 impairing, may only be sold by a marijuana producer, marijuana  
34 processor, or marijuana retailer licensed by the board unless  
35 authorized as a drug by the federal food and drug administration.

36 (b) All products containing cannabinoids described in subsection  
37 (a) of this section, or cannabinoid products marketed as having  
38 impairing effects, are within the scope of regulatory authority of

1 the board under this chapter, except those authorized as a drug by  
2 the federal food and drug administration.

3 (c) Sale of products identified in subsection (a) of this section  
4 is prohibited unless conducted by a business holding a valid  
5 marijuana producer, marijuana processor, or marijuana retailer  
6 license issued by the board.

7 (d) Products meeting any of the criteria identified in this  
8 subsection may only be sold if such a sale is in compliance with  
9 rules adopted by the board after the board has consulted with the  
10 department of health, the department of agriculture, and members of  
11 the legislature as provided in section 12 of this act. Products  
12 subject to this requirement are:

13 (1) Products containing cannabinoids that may be impairing;

14 (2) Products that contain greater than 0.3 percent THC on a dry  
15 weight basis; and

16 (3) Products that contain 0.5 or more milligrams per serving or  
17 two or more milligrams total in the packaged product of any  
18 cannabinoid that may be impairing.

19 (e) Products identified in subsection (d) of this section may not  
20 be sold to persons under 21 years of age, except for those in  
21 compliance with provisions of chapter 69.51A RCW.

22 (f) The requirement provided in subsection (d) of this section  
23 does not apply to delta-9 THC products approved by the board prior to  
24 January 1, 2022.

25 (g) Cannabis health and beauty aids compliant with RCW 69.50.575  
26 are not subject to the provisions of subsections (a) through (d) of  
27 this section.

28 (h) Manufacturing and sales of artificial cannabinoids is  
29 prohibited.

30 **Sec. 4.** RCW 69.50.325 and 2020 c 236 s 6 are each amended to  
31 read as follows:

32 (1) There shall be a marijuana producer's license regulated by  
33 the board and subject to annual renewal. The licensee is authorized  
34 to produce, prepare, and propagate marijuana grown from seeds or  
35 clones of natural origin: (a) Marijuana for sale at wholesale to  
36 marijuana processors and other marijuana producers; (b) immature  
37 plants or clones and seeds for sale to cooperatives as described  
38 under RCW 69.51A.250; and (c) immature plants or clones and seeds for  
39 sale to qualifying patients and designated providers as provided

1 under RCW 69.51A.310. The production, possession, delivery,  
2 distribution, and sale of marijuana in accordance with the provisions  
3 of this chapter and the rules adopted to implement and enforce it, by  
4 a validly licensed marijuana producer, shall not be a criminal or  
5 civil offense under Washington state law. Every marijuana producer's  
6 license shall be issued in the name of the applicant, shall specify  
7 the location at which the marijuana producer intends to operate,  
8 which must be within the state of Washington, and the holder thereof  
9 shall not allow any other person to use the license. The application  
10 fee for a marijuana producer's license shall be two hundred fifty  
11 dollars. The annual fee for issuance and renewal of a marijuana  
12 producer's license shall be one thousand three hundred eighty-one  
13 dollars. A separate license shall be required for each location at  
14 which a marijuana producer intends to produce marijuana.

15 (2) There shall be a marijuana processor's license to process  
16 marijuana, from the plant *Cannabis* of natural origin and grown by a  
17 licensed producer, unless sourced and used as an additive in  
18 accordance with RCW 69.50.326, and compound or convert marijuana  
19 products from marijuana grown by a licensed marijuana producer as  
20 specified by the board by rule, and prepare, package, and label  
21 marijuana concentrates, useable marijuana, and marijuana-infused  
22 products, which contain greater than 0.5 milligrams per serving of a  
23 cannabinoid that may be impairing, for sale at wholesale to marijuana  
24 processors and marijuana retailers, regulated by the board and  
25 subject to annual renewal. The processing, packaging, possession,  
26 delivery, distribution, and sale of marijuana, useable marijuana,  
27 marijuana-infused products, and marijuana concentrates in accordance  
28 with the provisions of this chapter and chapter 69.51A RCW and the  
29 rules adopted to implement and enforce these chapters, by a validly  
30 licensed marijuana processor, shall not be a criminal or civil  
31 offense under Washington state law. Every marijuana processor's  
32 license shall be issued in the name of the applicant, shall specify  
33 the location at which the licensee intends to operate, which must be  
34 within the state of Washington, and the holder thereof shall not  
35 allow any other person to use the license. The application fee for a  
36 marijuana processor's license shall be two hundred fifty dollars. The  
37 annual fee for issuance and renewal of a marijuana processor's  
38 license shall be one thousand three hundred eighty-one dollars. A  
39 separate license shall be required for each location at which a  
40 marijuana processor intends to process marijuana.

1 (3) (a) There shall be a marijuana retailer's license to sell  
2 marijuana concentrates, useable marijuana, and marijuana-infused  
3 products, and other products containing greater than 0.5 milligrams  
4 per serving of a cannabinoid that may be impairing at retail in  
5 retail outlets, regulated by the board and subject to annual renewal.  
6 The possession, delivery, distribution, and sale of marijuana  
7 concentrates, useable marijuana, and marijuana-infused products in  
8 accordance with the provisions of this chapter and the rules adopted  
9 to implement and enforce it, by a validly licensed marijuana  
10 retailer, shall not be a criminal or civil offense under Washington  
11 state law. Every marijuana retailer's license shall be issued in the  
12 name of the applicant, shall specify the location of the retail  
13 outlet the licensee intends to operate, which must be within the  
14 state of Washington, and the holder thereof shall not allow any other  
15 person to use the license. The application fee for a marijuana  
16 retailer's license shall be two hundred fifty dollars. The annual fee  
17 for issuance and renewal of a marijuana retailer's license shall be  
18 one thousand three hundred eighty-one dollars. A separate license  
19 shall be required for each location at which a marijuana retailer  
20 intends to sell marijuana concentrates, useable marijuana, and  
21 marijuana-infused products.

22 (b) An individual retail licensee and all other persons or  
23 entities with a financial or other ownership interest in the business  
24 operating under the license are limited, in the aggregate, to holding  
25 a collective total of not more than five retail marijuana licenses.

26 (c) (i) A marijuana retailer's license is subject to forfeiture in  
27 accordance with rules adopted by the board pursuant to this section.

28 (ii) The board shall adopt rules to establish a license  
29 forfeiture process for a licensed marijuana retailer that is not  
30 fully operational and open to the public within a specified period  
31 from the date of license issuance, as established by the board,  
32 subject to the following restrictions:

33 (A) No marijuana retailer's license may be subject to forfeiture  
34 within the first nine months of license issuance; and

35 (B) The board must require license forfeiture on or before  
36 twenty-four calendar months of license issuance if a marijuana  
37 retailer is not fully operational and open to the public, unless the  
38 board determines that circumstances out of the licensee's control are  
39 preventing the licensee from becoming fully operational and that, in

1 the board's discretion, the circumstances warrant extending the  
2 forfeiture period beyond twenty-four calendar months.

3 (iii) The board has discretion in adopting rules under this  
4 subsection (3)(c).

5 (iv) This subsection (3)(c) applies to marijuana retailer's  
6 licenses issued before and after July 23, 2017. However, no license  
7 of a marijuana retailer that otherwise meets the conditions for  
8 license forfeiture established pursuant to this subsection (3)(c) may  
9 be subject to forfeiture within the first nine calendar months of  
10 July 23, 2017.

11 (v) The board may not require license forfeiture if the licensee  
12 has been incapable of opening a fully operational retail marijuana  
13 business due to actions by the city, town, or county with  
14 jurisdiction over the licensee that include any of the following:

15 (A) The adoption of a ban or moratorium that prohibits the  
16 opening of a retail marijuana business; or

17 (B) The adoption of an ordinance or regulation related to zoning,  
18 business licensing, land use, or other regulatory measure that has  
19 the effect of preventing a licensee from receiving an occupancy  
20 permit from the jurisdiction or which otherwise prevents a licensed  
21 marijuana retailer from becoming operational.

22 (d) The board may issue marijuana retailer licenses pursuant to  
23 this chapter and RCW 69.50.335.

24 **Sec. 5.** RCW 69.50.326 and 2018 c 132 s 1 are each amended to  
25 read as follows:

26 (1) Licensed marijuana producers and licensed marijuana  
27 processors may use ((a)) CBD ((~~product~~)), other nonimpairing  
28 cannabinoids, or nonimpairing plant Cannabis isolates as ((~~an~~)  
29 additives for the purpose of enhancing the ((~~cannabinoid~~)  
30 nonimpairing cannabinoid concentration of any product authorized for  
31 production, processing, and sale under this chapter. Except as  
32 otherwise provided in subsection (2) of this section, such ((~~CBD~~  
33 ~~product additives~~) cannabinoid products or isolates must be lawfully  
34 produced by a licensed marijuana producer, or purchased from((~~r~~) a  
35 producer or processor licensed under this chapter.

36 (2) Subject to the requirements set forth in (a) ((~~and (b)~~)  
37 through (d) of this subsection, and for the sole purpose of enhancing  
38 the ((~~cannabinoid~~) nonimpairing cannabinoid concentration of any  
39 product authorized for production, processing, or sale under this

1 chapter, licensed marijuana producers and licensed marijuana  
2 processors may use a CBD or other nonimpairing cannabinoid product  
3 obtained from a source not licensed under this chapter, provided the  
4 CBD or other nonimpairing cannabinoid product:

5 (a) Has a THC level of 0.3 percent or less on a dry weight basis  
6 and does not contain greater than 0.5 milligrams per serving of any  
7 cannabinoid that may be impairing; ((and))

8 (b) Has ~~((been tested for))~~ passed pesticide, heavy metals,  
9 contaminants, and toxins testing by a testing laboratory accredited  
10 under this chapter and in accordance with testing standards  
11 established under this chapter and the applicable administrative  
12 rules;

13 (c) Is accompanied by a disclosure statement describing  
14 production methods including, but not limited to, solvent use,  
15 catalyst use, and synthesis methods; and

16 (d) Is only added to a product authorized for production,  
17 processing, or sale under this chapter, and is not further processed  
18 or converted into a substance that may be impairing.

19 (3) Subject to the requirements of this subsection (3), the  
20 ~~((liquor and cannabis))~~ board may enact rules necessary to implement  
21 the requirements of this section. Such rule making ~~((is limited to))~~  
22 includes regulations pertaining to laboratory testing and product  
23 safety standards for ~~((those))~~ naturally and synthetically derived  
24 cannabidiol or other nonimpairing cannabinoid products used by  
25 licensed producers and processors in the manufacture of marijuana  
26 products marketed by licensed retailers under this chapter ~~((69.50~~  
27 ~~RCW))~~. Any synthetically derived cannabinoid used by licensed  
28 producers and processors in the manufacture of marijuana products  
29 marketed by licensed retailers under this chapter must be in  
30 compliance with rules adopted by the board, prior to manufacturing  
31 and sale to other licensees. Rule making by the board pertaining to  
32 any synthetically derived cannabinoid must be in consultation with  
33 the department of health, the department of agriculture, and members  
34 of the legislature as provided in section 12 of this act. The purpose  
35 of such rule making must be to ensure the safety and purity of  
36 cannabidiol and other nonimpairing cannabinoid products used by  
37 marijuana producers and processors licensed under this chapter  
38 ~~((69.50—RCW))~~ and incorporated into products sold by licensed  
39 recreational marijuana retailers. This rule-making authority does not  
40 include the authority to enact rules regarding either the production

1 or processing practices of the industrial hemp industry or any  
2 cannabidiol products that are sold or marketed outside of the  
3 regulatory framework established under this chapter (~~69.50 RCW~~).

4 (4) Licensed marijuana producers and licensed marijuana  
5 processors may not use any artificial cannabinoids, as defined in  
6 this chapter, as an additive to any product authorized for  
7 production, processing, and sale under this chapter.

8 (5) Licensed marijuana producers and licensed marijuana  
9 processors must disclose on packaging and labeling all synthetically  
10 derived cannabinoids contained in products, and may not make any  
11 statements or claims on packaging, labeling, or advertising,  
12 indicating those cannabinoids are a natural substance.

13 (6) The board must revise rules as appropriate to conform to the  
14 terminology described in this act.

15 **Sec. 6.** RCW 69.50.342 and 2020 c 133 s 3 are each amended to  
16 read as follows:

17 (1) For the purpose of carrying into effect the provisions of  
18 chapter 3, Laws of 2013 according to their true intent or of  
19 supplying any deficiency therein, the board may adopt rules not  
20 inconsistent with the spirit of chapter 3, Laws of 2013 as are deemed  
21 necessary or advisable. Without limiting the generality of the  
22 preceding sentence, the board is empowered to adopt rules regarding  
23 the following:

24 (a) The equipment and management of retail outlets and premises  
25 where marijuana is produced or processed, and inspection of the  
26 retail outlets and premises where marijuana is produced or processed;

27 (b) The books and records to be created and maintained by  
28 licensees, the reports to be made thereon to the board, and  
29 inspection of the books and records;

30 (c) Methods of producing, processing, and packaging marijuana,  
31 useable marijuana, marijuana concentrates, and marijuana-infused  
32 products; conditions of sanitation; safe handling requirements;  
33 approved pesticides and pesticide testing requirements; and standards  
34 of ingredients, quality, and identity of marijuana, useable  
35 marijuana, marijuana concentrates, and marijuana-infused products  
36 produced, processed, packaged, or sold by licensees;

37 (d) Security requirements for retail outlets and premises where  
38 marijuana is produced or processed, and safety protocols for  
39 licensees and their employees;

- 1 (e) Screening, hiring, training, and supervising employees of  
2 licensees;
- 3 (f) Retail outlet locations and hours of operation;
- 4 (g) Labeling requirements and restrictions on advertisement of  
5 marijuana, useable marijuana, marijuana concentrates, cannabis health  
6 and beauty aids, and marijuana-infused products for sale in retail  
7 outlets;
- 8 (h) Forms to be used for purposes of this chapter and chapter  
9 69.51A RCW or the rules adopted to implement and enforce these  
10 chapters, the terms and conditions to be contained in licenses issued  
11 under this chapter and chapter 69.51A RCW, and the qualifications for  
12 receiving a license issued under this chapter and chapter 69.51A RCW,  
13 including a criminal history record information check. The board may  
14 submit any criminal history record information check to the  
15 Washington state patrol and to the identification division of the  
16 federal bureau of investigation in order that these agencies may  
17 search their records for prior arrests and convictions of the  
18 individual or individuals who filled out the forms. The board must  
19 require fingerprinting of any applicant whose criminal history record  
20 information check is submitted to the federal bureau of  
21 investigation;
- 22 (i) Application, reinstatement, and renewal fees for licenses  
23 issued under this chapter and chapter 69.51A RCW, and fees for  
24 anything done or permitted to be done under the rules adopted to  
25 implement and enforce this chapter and chapter 69.51A RCW;
- 26 (j) The manner of giving and serving notices required by this  
27 chapter and chapter 69.51A RCW or rules adopted to implement or  
28 enforce these chapters;
- 29 (k) Times and periods when, and the manner, methods, and means by  
30 which, licensees transport and deliver marijuana, marijuana  
31 concentrates, useable marijuana, and marijuana-infused products  
32 within the state;
- 33 (l) Identification, seizure, confiscation, destruction, or  
34 donation to law enforcement for training purposes of all marijuana,  
35 marijuana concentrates, useable marijuana, and marijuana-infused  
36 products produced, processed, sold, or offered for sale within this  
37 state which do not conform in all respects to the standards  
38 prescribed by this chapter or chapter 69.51A RCW or the rules adopted  
39 to implement and enforce these chapters;

1 (m) The prohibition of any type of device used in conjunction  
2 with a marijuana vapor product and the prohibition of the use of any  
3 type of additive, solvent, ingredient, or compound in the production  
4 and processing of marijuana products, including marijuana vapor  
5 products, when the board determines, following consultation with the  
6 department of health or any other authority the board deems  
7 appropriate, that the device, additive, solvent, ingredient, or  
8 compound may pose a risk to public health or youth access; (~~and~~)

9 (n) Requirements for processors to submit under oath to the  
10 department of health a complete list of all constituent substances  
11 and the amount and sources thereof in each marijuana vapor product,  
12 including all additives, thickening agents, preservatives, compounds,  
13 and any other substance used in the production and processing of each  
14 marijuana vapor product; and

15 (o) The production, processing, transportation, delivery, sale,  
16 and purchase of naturally derived cannabinoids or synthetically  
17 derived cannabinoids. This rule-making authority does not include  
18 authority to adopt rules on activities identified in this subsection  
19 (1)(o) related to:

20 (i) Hemp or products derived from hemp as defined in RCW  
21 15.140.020, except products intended for use by a licensee as  
22 provided in this chapter; or

23 (ii) Products authorized as a drug by the federal food and drug  
24 administration.

25 (2) Rules adopted on retail outlets holding medical marijuana  
26 endorsements must be adopted in coordination and consultation with  
27 the department.

28 (3) The board must adopt rules to perfect and expand existing  
29 programs for compliance education for licensed marijuana businesses  
30 and their employees. The rules must include a voluntary compliance  
31 program created in consultation with licensed marijuana businesses  
32 and their employees. The voluntary compliance program must include  
33 recommendations on abating violations of this chapter and rules  
34 adopted under this chapter.

35 **Sec. 7.** RCW 69.50.363 and 2015 c 207 s 7 are each amended to  
36 read as follows:

37 The following acts, when performed by a validly licensed  
38 marijuana processor or employee of a validly licensed marijuana  
39 processor in compliance with rules adopted by the (~~state liquor~~

1 ~~control~~) board to implement and enforce chapter 3, Laws of 2013, do  
2 not constitute criminal or civil offenses under Washington state law:

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

6 (2) Compound or convert marijuana products from marijuana grown  
7 by a licensed marijuana producer, as specified by the board by rule.  
8 This section does not authorize compounding or converting hemp into  
9 cannabinoids that may be impairing for creation of marijuana products  
10 from hemp, except as authorized under RCW 69.50.326;

11 (3) Possession, processing, packaging, and labeling of quantities  
12 of marijuana, useable marijuana, and marijuana-infused products that  
13 do not exceed the maximum amounts established by the (~~state liquor~~  
14 ~~control~~) board under RCW 69.50.345(4);

15 ((~~3~~)) (4) Delivery, distribution, and sale of useable marijuana  
16 or marijuana-infused products to a marijuana retailer validly  
17 licensed under chapter 3, Laws of 2013; and

18 ((~~4~~)) (5) Delivery, distribution, and sale of useable  
19 marijuana, marijuana concentrates, or marijuana-infused products to a  
20 federally recognized Indian tribe as permitted under an agreement  
21 between the state and the tribe entered into under RCW 43.06.490.

22 **Sec. 8.** RCW 69.50.455 and 2015 2nd sp.s. c 4 s 1201 are each  
23 amended to read as follows:

24 (1) ((~~1~~)) Except as authorized under section 3 of this act and  
25 RCW 69.50.326, it is an unfair or deceptive practice under RCW  
26 19.86.020 for any person or entity to distribute, dispense,  
27 manufacture, display for sale, offer for sale, attempt to sell, or  
28 sell to a purchaser any product that contains any amount of any  
29 synthetic cannabinoid. The legislature finds that practices covered  
30 by this section are matters vitally affecting the public interest for  
31 the purpose of applying the consumer protection act, chapter 19.86  
32 RCW. Violations of this section are not reasonable in relation to the  
33 development and preservation of business.

34 (2) ((~~"Synthetic"~~)) For the purposes of this section, "synthetic  
35 cannabinoid" includes any chemical compound identified in RCW  
36 69.50.204(c)(30) or by the pharmacy quality assurance commission  
37 under RCW 69.50.201.

1       **Sec. 9.** RCW 69.50.375 and 2015 c 70 s 10 are each amended to  
2 read as follows:

3       (1) A medical marijuana endorsement to a marijuana retail license  
4 is hereby established to permit a marijuana retailer to sell  
5 marijuana for medical use to qualifying patients and designated  
6 providers. This endorsement also permits such retailers to provide  
7 marijuana at no charge, at their discretion, to qualifying patients  
8 and designated providers.

9       (2) An applicant may apply for a medical marijuana endorsement  
10 concurrently with an application for a marijuana retail license.

11       (3) To be issued an endorsement, a marijuana retailer must:

12       (a) Not authorize the medical use of marijuana for qualifying  
13 patients at the retail outlet or permit health care professionals to  
14 authorize the medical use of marijuana for qualifying patients at the  
15 retail outlet;

16       (b) Carry marijuana concentrates and marijuana-infused products  
17 identified by the department under subsection (4) of this section;

18       (c) Not use labels or market marijuana concentrates, useable  
19 marijuana, or marijuana-infused products in a way that make them  
20 intentionally attractive to minors;

21       (d) Demonstrate the ability to enter qualifying patients and  
22 designated providers in the medical marijuana authorization database  
23 established in RCW 69.51A.230 and issue recognition cards and agree  
24 to enter qualifying patients and designated providers into the  
25 database and issue recognition cards in compliance with department  
26 standards;

27       (e) Keep copies of the qualifying patient's or designated  
28 provider's recognition card, or keep equivalent records as required  
29 by rule of the state liquor and cannabis board or the department of  
30 revenue to document the validity of tax exempt sales; and

31       (f) Meet other requirements as adopted by rule of the department  
32 or the state liquor and cannabis board.

33       (4) ((The)) Subject to subsection (5) of this section, the  
34 department, in conjunction with the state liquor and cannabis board,  
35 must adopt rules on requirements for marijuana concentrates, useable  
36 marijuana, and marijuana-infused products that may be sold, or  
37 provided at no charge, to qualifying patients or designated providers  
38 at a retail outlet holding a medical marijuana endorsement. These  
39 rules must include:

1 (a) THC concentration, CBD concentration, or low THC, high CBD  
2 ratios appropriate for marijuana concentrates, useable marijuana, or  
3 marijuana-infused products sold to qualifying patients or designated  
4 providers;

5 (b) Labeling requirements including that the labels attached to  
6 marijuana concentrates, useable marijuana, or marijuana-infused  
7 products contain THC concentration, CBD concentration, and THC to CBD  
8 ratios;

9 (c) Other product requirements, including any additional mold,  
10 fungus, or pesticide testing requirements, or limitations to the  
11 types of solvents that may be used in marijuana processing that the  
12 department deems necessary to address the medical needs of qualifying  
13 patients;

14 (d) Safe handling requirements for marijuana concentrates,  
15 useable marijuana, or marijuana-infused products; and

16 (e) Training requirements for employees.

17 (5) Artificial cannabinoids and synthetically derived  
18 cannabinoids are prohibited in the marijuana concentrates, useable  
19 marijuana, and marijuana-infused products that may be approved,  
20 labeled, or represented as complying with requirements adopted by the  
21 department under subsection (4) of this section.

22 (6) A marijuana retailer holding an endorsement to sell marijuana  
23 to qualifying patients or designated providers must train its  
24 employees on:

25 (a) Procedures regarding the recognition of valid authorizations  
26 and the use of equipment to enter qualifying patients and designated  
27 providers into the medical marijuana authorization database;

28 (b) Recognition of valid recognition cards; and

29 (c) Recognition of strains, varieties, THC concentration, CBD  
30 concentration, and THC to CBD ratios of marijuana concentrates,  
31 useable marijuana, and marijuana-infused products, available for sale  
32 when assisting qualifying patients and designated providers at the  
33 retail outlet.

34 **Sec. 10.** RCW 82.08.9998 and 2019 c 393 s 4 are each amended to  
35 read as follows:

36 (1) The tax levied by RCW 82.08.020 does not apply to:

37 (a) Sales of marijuana concentrates, useable marijuana, or  
38 marijuana-infused products, that do not contain any artificial  
39 cannabinoids as defined in RCW 69.50.101 or synthetically derived

1 cannabinoids as defined in RCW 69.50.101 and that are identified by  
2 the department of health in rules adopted under RCW 69.50.375(4) in  
3 chapter 246-70 WAC as being a compliant marijuana product, by  
4 marijuana retailers with medical marijuana endorsements to qualifying  
5 patients or designated providers who have been issued recognition  
6 cards;

7 (b) Sales of products containing THC with a THC concentration of  
8 0.3 percent or less to qualifying patients or designated providers  
9 who have been issued recognition cards by marijuana retailers with  
10 medical marijuana endorsements;

11 (c) Sales of marijuana concentrates, useable marijuana, or  
12 marijuana-infused products, identified by the department of health  
13 under RCW 69.50.375 to have a low THC, high CBD ratio, and to be  
14 beneficial for medical use, by marijuana retailers with medical  
15 marijuana endorsements, to any person;

16 (d) Sales of topical, noningestible products containing THC with  
17 a THC concentration of 0.3 percent or less by health care  
18 professionals under RCW 69.51A.280;

19 (e)(i) Marijuana, marijuana concentrates, useable marijuana,  
20 marijuana-infused products, or products containing THC with a THC  
21 concentration of 0.3 percent or less produced by a cooperative and  
22 provided to its members; and

23 (ii) Any nonmonetary resources and labor contributed by an  
24 individual member of the cooperative in which the individual is a  
25 member. However, nothing in this subsection (1)(e) may be construed  
26 to exempt the individual members of a cooperative from the tax  
27 imposed in RCW 82.08.020 on any purchase of property or services  
28 contributed to the cooperative.

29 (2) Each seller making exempt sales under subsection (1) of this  
30 section must maintain information establishing eligibility for the  
31 exemption in the form and manner required by the department.

32 (3) The department must provide a separate tax reporting line for  
33 exemption amounts claimed under this section.

34 (4) The definitions in this subsection apply throughout this  
35 section unless the context clearly requires otherwise.

36 (a) "Cooperative" means a cooperative authorized by and operating  
37 in compliance with RCW 69.51A.250.

38 (b) "Marijuana retailer with a medical marijuana endorsement"  
39 means a marijuana retailer permitted under RCW 69.50.375 to sell

1 marijuana for medical use to qualifying patients and designated  
2 providers.

3 (c) "Products containing THC with a THC concentration of 0.3  
4 percent or less" means all products containing THC with a THC  
5 concentration not exceeding 0.3 percent and that, when used as  
6 intended, are inhalable, ingestible, or absorbable.

7 (d) "THC concentration," "marijuana," "marijuana concentrates,"  
8 "useable marijuana," "marijuana retailer," and "marijuana-infused  
9 products" have the same meanings as provided in RCW 69.50.101 and the  
10 terms "qualifying patients," "designated providers," and "recognition  
11 card" have the same meaning as provided in RCW 69.51A.010.

12 **Sec. 11.** RCW 82.12.9998 and 2019 c 393 s 5 are each amended to  
13 read as follows:

14 (1) The provisions of this chapter do not apply to:

15 (a) The use of marijuana concentrates, useable marijuana, or  
16 marijuana-infused products, that do not contain any artificial  
17 cannabinoids as defined in RCW 69.50.101 or synthetically derived  
18 cannabinoids as defined in RCW 69.50.101 and that are identified by  
19 the department of health in rules adopted under RCW 69.50.375(4) in  
20 chapter 246-70 WAC as being a compliant marijuana product, by  
21 qualifying patients or designated providers who have been issued  
22 recognition cards and have obtained such products from a marijuana  
23 retailer with a medical marijuana endorsement.

24 (b) The use of products containing THC with a THC concentration  
25 of 0.3 percent or less by qualifying patients or designated providers  
26 who have been issued recognition cards and have obtained such  
27 products from a marijuana retailer with a medical marijuana  
28 endorsement.

29 (c)(i) Marijuana retailers with a medical marijuana endorsement  
30 with respect to:

31 (A) Marijuana concentrates, useable marijuana, or marijuana-  
32 infused products; or

33 (B) Products containing THC with a THC concentration of 0.3  
34 percent or less;

35 (ii) The exemption in this subsection (1)(c) applies only if such  
36 products are provided at no charge to a qualifying patient or  
37 designated provider who has been issued a recognition card. Each such  
38 retailer providing such products at no charge must maintain

1 information establishing eligibility for this exemption in the form  
2 and manner required by the department.

3 (d) The use of marijuana concentrates, useable marijuana, or  
4 marijuana-infused products, identified by the department of health  
5 under RCW 69.50.375 to have a low THC, high CBD ratio, and to be  
6 beneficial for medical use, purchased from marijuana retailers with a  
7 medical marijuana endorsement.

8 (e) Health care professionals with respect to the use of products  
9 containing THC with a THC concentration of 0.3 percent or less  
10 provided at no charge by the health care professionals under RCW  
11 69.51A.280. Each health care professional providing such products at  
12 no charge must maintain information establishing eligibility for this  
13 exemption in the form and manner required by the department.

14 (f) The use of topical, noningestible products containing THC  
15 with a THC concentration of 0.3 percent or less by qualifying  
16 patients when purchased from or provided at no charge by a health  
17 care professional under RCW 69.51A.280.

18 (g) The use of:

19 (i) Marijuana, marijuana concentrates, useable marijuana,  
20 marijuana-infused products, or products containing THC with a THC  
21 concentration of 0.3 percent or less, by a cooperative and its  
22 members, when produced by the cooperative; and

23 (ii) Any nonmonetary resources and labor by a cooperative when  
24 contributed by its members. However, nothing in this subsection  
25 (1)(g) may be construed to exempt the individual members of a  
26 cooperative from the tax imposed in RCW 82.12.020 on the use of any  
27 property or services purchased by the member and contributed to the  
28 cooperative.

29 (2) The definitions in RCW 82.08.9998 apply to this section.

30 NEW SECTION. **Sec. 12.** A new section is added to chapter 69.50  
31 RCW to read as follows:

32 (1) When developing and adopting any rules authorized or required  
33 under this act, the board shall consult with members of the  
34 legislature appointed by the speaker of the house of representatives  
35 and the president of the senate under subsection (2) of this section.  
36 The board shall also invite each of the appointed members of the  
37 legislature to attend each public hearing held on proposed rules  
38 authorized or required under this act.

39 (2) For purposes of the consultation in this section:

1           (a) The speaker of the house of representatives shall appoint one  
2 member from each of the two largest caucuses of the house of  
3 representatives; and

4           (b) The president of the senate shall appoint one member from  
5 each of the two largest caucuses of the senate.

6           NEW SECTION.   **Sec. 13.** This act takes effect July 1, 2022.

--- END ---