

CERTIFICATION OF ENROLLMENT
ENGROSSED SECOND SUBSTITUTE SENATE BILL 5080

68th Legislature
2023 Regular Session

Passed by the Senate April 13, 2023
Yeas 31 Nays 16

President of the Senate

Passed by the House April 10, 2023
Yeas 60 Nays 38

**Speaker of the House of
Representatives**

Approved

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE SENATE BILL 5080** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

ENGROSSED SECOND SUBSTITUTE SENATE BILL 5080

AS AMENDED BY THE HOUSE

Passed Legislature - 2023 Regular Session

State of Washington **68th Legislature** **2023 Regular Session**

By Senate Ways & Means (originally sponsored by Senators Saldaña, Conway, Frame, Hasegawa, Kuderer, Lovelett, Nguyen, Nobles, and Stanford; by request of Liquor and Cannabis Board)

READ FIRST TIME 02/22/23.

1 AN ACT Relating to expanding and improving the social equity in
2 cannabis program; amending RCW 43.330.540, 69.50.331, 69.50.335,
3 69.50.345, and 69.50.345; reenacting and amending RCW 69.50.101;
4 creating a new section; providing an effective date; and providing an
5 expiration date.

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

7 **Sec. 1.** RCW 43.330.540 and 2022 c 16 s 36 are each amended to
8 read as follows:

9 (1) The cannabis social equity technical assistance grant program
10 is established and is to be administered by the department.

11 (2)(a) The cannabis social equity technical assistance grant
12 program must award grants to:

13 (i) Cannabis license applicants who are social equity applicants
14 as defined in RCW 69.50.335 submitting social equity plans (~~under~~
15 ~~RCW 69.50.335~~) as defined in RCW 69.50.101; and

16 (ii) Cannabis licensees holding a license issued after (~~June 30,~~
17 ~~2020, and before July 25, 2021~~) April 1, 2023, and before July 1,
18 2024, who meet the social equity applicant criteria under RCW
19 69.50.335.

20 (b) Grant recipients under this subsection (2) must demonstrate
21 completion of their project within 12 months of receiving a grant,

1 unless a grant recipient requests, and the department approves,
2 additional time to complete the project.

3 (3) The department must award grants primarily based on the
4 strength of the social equity plans submitted by cannabis license
5 applicants and cannabis licensees holding a license issued after
6 ~~((June 30, 2020))~~ April 1, 2023, and before ~~((July 25, 2021))~~ July 1,
7 2024, but may also consider additional criteria if deemed necessary
8 or appropriate by the department. Technical assistance activities
9 eligible for funding include, but are not limited to:

10 (a) Assistance navigating the cannabis licensure process;

11 (b) Cannabis-business specific education and business plan
12 development;

13 (c) Regulatory compliance training;

14 (d) Financial management training and assistance in seeking
15 financing;

16 (e) Strengthening a social equity plan as defined in RCW
17 69.50.101; and

18 (f) Connecting social equity applicants with established industry
19 members and tribal cannabis enterprises and programs for mentoring
20 and other forms of support.

21 (4) The department may contract to establish a roster of mentors
22 who are available to support and advise social equity applicants and
23 current licensees who meet the social equity applicant criteria under
24 RCW 69.50.335. Contractors under this section must:

25 (a) Have knowledge and experience demonstrating their ability to
26 effectively advise eligible applicants and licensees in navigating
27 the state's licensing and regulatory framework or on producing and
28 processing cannabis;

29 (b) Be a business that is at least 51 percent minority or woman-
30 owned; and

31 (c) Meet department reporting and invoicing requirements.

32 (5) Funding for the cannabis social equity technical assistance
33 grant program must be provided ~~((through the dedicated cannabis~~
34 ~~account))~~ under RCW 69.50.540. Additionally, the department may
35 solicit, receive, and expend private contributions to support the
36 grant program.

37 (6) The department may adopt rules to implement this section.

38 (7) For the purposes of this section, "cannabis" has the meaning
39 provided under RCW 69.50.101.

1 **Sec. 2.** RCW 69.50.331 and 2022 c 16 s 58 are each amended to
2 read as follows:

3 (1) For the purpose of considering any application for a license
4 to produce, process, research, transport, or deliver cannabis,
5 useable cannabis, cannabis concentrates, or cannabis-infused products
6 subject to the regulations established under RCW 69.50.385, or sell
7 cannabis, or for the renewal of a license to produce, process,
8 research, transport, or deliver cannabis, useable cannabis, cannabis
9 concentrates, or cannabis-infused products subject to the regulations
10 established under RCW 69.50.385, or sell cannabis, the board must
11 conduct a comprehensive, fair, and impartial evaluation of the
12 applications timely received.

13 (a) The board may cause an inspection of the premises to be made,
14 and may inquire into all matters in connection with the construction
15 and operation of the premises. For the purpose of reviewing any
16 application for a license and for considering the denial, suspension,
17 revocation, cancellation, or renewal or denial thereof, of any
18 license, the board may consider any prior criminal arrests or
19 convictions of the applicant, any public safety administrative
20 violation history record with the board, and a criminal history
21 record information check. The board may submit the criminal history
22 record information check to the Washington state patrol and to the
23 identification division of the federal bureau of investigation in
24 order that these agencies may search their records for prior arrests
25 and convictions of the individual or individuals who filled out the
26 forms. The board must require fingerprinting of any applicant whose
27 criminal history record information check is submitted to the federal
28 bureau of investigation. The provisions of RCW 9.95.240 and of
29 chapter 9.96A RCW do not apply to these cases. Subject to the
30 provisions of this section, the board may, in its discretion, grant
31 or deny the renewal or license applied for. Denial may be based on,
32 without limitation, the existence of chronic illegal activity
33 documented in objections submitted pursuant to subsections (7)(c) and
34 (10) of this section. Authority to approve an uncontested or
35 unopposed license may be granted by the board to any staff member the
36 board designates in writing. Conditions for granting this authority
37 must be adopted by rule.

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

39 (i) A person under the age of (~~twenty-one~~) 21 years;

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

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

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

11 (2)(a) The board may, in its discretion, subject to RCW
12 43.05.160, 69.50.563, 69.50.562, 69.50.334, and 69.50.342(3) suspend
13 or cancel any license; and all protections of the licensee from
14 criminal or civil sanctions under state law for producing,
15 processing, researching, or selling cannabis, cannabis concentrates,
16 useable cannabis, or cannabis-infused products thereunder must be
17 suspended or terminated, as the case may be.

18 (b) The board must immediately suspend the license of a person
19 who has been certified pursuant to RCW 74.20A.320 by the department
20 of social and health services as a person who is not in compliance
21 with a support order. If the person has continued to meet all other
22 requirements for reinstatement during the suspension, reissuance of
23 the license is automatic upon the board's receipt of a release issued
24 by the department of social and health services stating that the
25 licensee is in compliance with the order.

26 (c) The board may request the appointment of administrative law
27 judges under chapter 34.12 RCW who shall have power to administer
28 oaths, issue subpoenas for the attendance of witnesses and the
29 production of papers, books, accounts, documents, and testimony,
30 examine witnesses, receive testimony in any inquiry, investigation,
31 hearing, or proceeding in any part of the state, and consider
32 mitigating and aggravating circumstances in any case and deviate from
33 any prescribed penalty, under rules the board may adopt.

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

39 (e) In case of disobedience of any person to comply with the
40 order of the board or a subpoena issued by the board, or any of its

1 members, or administrative law judges, or on the refusal of a witness
2 to testify to any matter regarding which he or she may be lawfully
3 interrogated, the judge of the superior court of the county in which
4 the person resides, on application of any member of the board or
5 administrative law judge, compels obedience by contempt proceedings,
6 as in the case of disobedience of the requirements of a subpoena
7 issued from said court or a refusal to testify therein.

8 (3) Upon receipt of notice of the suspension or cancellation of a
9 license, the licensee must forthwith deliver up the license to the
10 board. Where the license has been suspended only, the board must
11 return the license to the licensee at the expiration or termination
12 of the period of suspension. The board must notify all other
13 licensees in the county where the subject licensee has its premises
14 of the suspension or cancellation of the license; and no other
15 licensee or employee of another licensee may allow or cause any
16 cannabis, cannabis concentrates, useable cannabis, or cannabis-
17 infused products to be delivered to or for any person at the premises
18 of the subject licensee.

19 (4) Every license issued under this chapter is subject to all
20 conditions and restrictions imposed by this chapter or by rules
21 adopted by the board to implement and enforce this chapter. All
22 conditions and restrictions imposed by the board in the issuance of
23 an individual license must be listed on the face of the individual
24 license along with the trade name, address, and expiration date.

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

27 (6) No licensee may employ any person under the age of (~~twenty-~~
28 ~~one~~) 21 years.

29 (7)(a) Before the board issues a new or renewed license to an
30 applicant it must give notice of the application to the chief
31 executive officer of the incorporated city or town, if the
32 application is for a license within an incorporated city or town, or
33 to the county legislative authority, if the application is for a
34 license outside the boundaries of incorporated cities or towns, or to
35 the tribal government if the application is for a license within
36 Indian country, or to the port authority if the application for a
37 license is located on property owned by a port authority.

38 (b) The incorporated city or town through the official or
39 employee selected by it, the county legislative authority or the
40 official or employee selected by it, the tribal government, or port

1 authority has the right to file with the board within twenty days
2 after the date of transmittal of the notice for applications, or at
3 least thirty days prior to the expiration date for renewals, written
4 objections against the applicant or against the premises for which
5 the new or renewed license is asked. The board may extend the time
6 period for submitting written objections upon request from the
7 authority notified by the board.

8 (c) The written objections must include a statement of all facts
9 upon which the objections are based, and in case written objections
10 are filed, the city or town or county legislative authority may
11 request, and the board may in its discretion hold, a hearing subject
12 to the applicable provisions of Title 34 RCW. If the board makes an
13 initial decision to deny a license or renewal based on the written
14 objections of an incorporated city or town or county legislative
15 authority, the applicant may request a hearing subject to the
16 applicable provisions of Title 34 RCW. If a hearing is held at the
17 request of the applicant, board representatives must present and
18 defend the board's initial decision to deny a license or renewal.

19 (d) Upon the granting of a license under this title the board
20 must send written notification to the chief executive officer of the
21 incorporated city or town in which the license is granted, or to the
22 county legislative authority if the license is granted outside the
23 boundaries of incorporated cities or towns.

24 (8) (a) Except as provided in (b) through (e) of this subsection,
25 the board may not issue a license for any premises within (~~one~~
26 ~~thousand~~) 1,000 feet of the perimeter of the grounds of any
27 elementary or secondary school, playground, recreation center or
28 facility, child care center, public park, public transit center, or
29 library, or any game arcade admission to which is not restricted to
30 persons aged (~~twenty-one~~) 21 years or older.

31 (b) A city, county, or town may permit the licensing of premises
32 within (~~one thousand~~) 1,000 feet but not less than (~~one hundred~~)
33 100 feet of the facilities described in (a) of this subsection,
34 except elementary schools, secondary schools, and playgrounds, by
35 enacting an ordinance authorizing such distance reduction, provided
36 that such distance reduction will not negatively impact the
37 jurisdiction's civil regulatory enforcement, criminal law enforcement
38 interests, public safety, or public health.

39 (c) A city, county, or town may permit the licensing of research
40 premises allowed under RCW 69.50.372 within (~~one thousand~~) 1,000

1 feet but not less than (~~one hundred~~) 100 feet of the facilities
2 described in (a) of this subsection by enacting an ordinance
3 authorizing such distance reduction, provided that the ordinance will
4 not negatively impact the jurisdiction's civil regulatory
5 enforcement, criminal law enforcement, public safety, or public
6 health.

7 (d) The board may license premises located in compliance with the
8 distance requirements set in an ordinance adopted under (b) or (c) of
9 this subsection. Before issuing or renewing a research license for
10 premises within (~~one thousand~~) 1,000 feet but not less than (~~one
11 hundred~~) 100 feet of an elementary school, secondary school, or
12 playground in compliance with an ordinance passed pursuant to (c) of
13 this subsection, the board must ensure that the facility:

14 (i) Meets a security standard exceeding that which applies to
15 cannabis producer, processor, or retailer licensees;

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

18 (iii) Bears no advertising or signage indicating that it is a
19 cannabis research facility.

20 (e) The board must issue a certificate of compliance if the
21 premises met the requirements under (a), (b), (c), or (d) of this
22 subsection on the date of the application. The certificate allows the
23 licensee to operate the business at the proposed location
24 notwithstanding a later occurring, otherwise disqualifying factor.

25 (f) The board may not issue a license for any premises within
26 Indian country, as defined in 18 U.S.C. Sec. 1151, including any fee
27 patent lands within the exterior boundaries of a reservation, without
28 the consent of the federally recognized tribe associated with the
29 reservation or Indian country.

30 (9) A city, town, or county may adopt an ordinance prohibiting a
31 cannabis producer or cannabis processor from operating or locating a
32 business within areas zoned primarily for residential use or rural
33 use with a minimum lot size of five acres or smaller.

34 (10) In determining whether to grant or deny a license or renewal
35 of any license, the board must give substantial weight to objections
36 from an incorporated city or town or county legislative authority
37 based upon chronic illegal activity associated with the applicant's
38 operations of the premises proposed to be licensed or the applicant's
39 operation of any other licensed premises, or the conduct of the
40 applicant's patrons inside or outside the licensed premises. "Chronic

1 illegal activity" means (a) a pervasive pattern of activity that
2 threatens the public health, safety, and welfare of the city, town,
3 or county including, but not limited to, open container violations,
4 assaults, disturbances, disorderly conduct, or other criminal law
5 violations, or as documented in crime statistics, police reports,
6 emergency medical response data, calls for service, field data, or
7 similar records of a law enforcement agency for the city, town,
8 county, or any other municipal corporation or any state agency; or
9 (b) an unreasonably high number of citations for violations of RCW
10 46.61.502 associated with the applicant's or licensee's operation of
11 any licensed premises as indicated by the reported statements given
12 to law enforcement upon arrest.

13 (11) The board may not issue a cannabis retail license for any
14 premises not currently licensed if:

15 (a) The board receives a written objection from the legislative
16 authority of an incorporated city or town, or county legislative
17 authority, relating to the physical location of the proposed
18 premises;

19 (b) The objection to the location from the incorporated city or
20 town, or county legislative authority, is received by the board
21 within 20 days of the board notifying the incorporated city or town,
22 or county legislative authority, of the proposed cannabis retail
23 location; and

24 (c) The objection to the issuance of a cannabis retail license at
25 the specified location is based on a preexisting local ordinance
26 limiting outlet density in a specific geographic area. For purposes
27 of this subsection (11), a preexisting local ordinance is an
28 ordinance enacted and in effect before the date the applicant submits
29 an application for a cannabis retail license to the board identifying
30 the premises proposed to be licensed. No objection related to the
31 physical location of a proposed premises may be made by a local
32 government under this subsection (11) based on a local ordinance
33 enacted after the date the applicant submits an application for a
34 cannabis retail license to the board identifying the premises
35 proposed to be licensed.

36 (12) After January 1, 2024, all cannabis licensees are encouraged
37 but are not required to submit a social equity plan to the board.
38 Upon confirmation by the board that a cannabis licensee who is not a
39 social equity applicant, and who does not hold a social equity
40 license issued under RCW 69.50.335, has submitted a social equity

1 plan, the board must within 30 days reimburse such a licensee an
2 amount equal to the cost of the licensee's annual cannabis license
3 renewal fee. The license renewal fee reimbursement authorized under
4 this subsection is subject to the following limitations:

5 (a) The board may provide reimbursement one time only to any
6 licensed entity; and

7 (b) Any licensed entity holding more than one cannabis license is
8 eligible for reimbursement of the license renewal fee on only one
9 license.

10 **Sec. 3.** RCW 69.50.335 and 2022 c 16 s 60 are each amended to
11 read as follows:

12 (1)(a) Beginning December 1, 2020, and until July 1, ((2029))
13 2032, cannabis retailer licenses, cannabis processor licenses, and
14 cannabis producer licenses that have been subject to forfeiture,
15 revocation, or cancellation by the board, or cannabis retailer
16 licenses that were not previously issued by the board but could have
17 been issued without exceeding the limit on the statewide number of
18 cannabis retailer licenses established before January 1, 2020, by the
19 board, may be issued or reissued to an applicant who meets the
20 cannabis retailer license, cannabis processor license, or cannabis
21 producer license requirements of this chapter.

22 (b) In accordance with (a) of this subsection, the board may
23 issue or reissue:

24 (i) Up to 100 cannabis processor licenses immediately; and

25 (ii) Beginning January 1, 2025, up to 10 cannabis producer
26 licenses, which must be issued in conjunction with a cannabis
27 processor license.

28 (c) In addition to the cannabis retailer licenses and cannabis
29 producer licenses that may be issued under (a) and (b) of this
30 subsection, beginning January 1, 2023, and continuing every three
31 years until July 1, 2032, the board may, with the approval of the
32 legislature through the passage of a bill, increase the number of
33 cannabis retailer licenses and cannabis producer licenses for the
34 social equity program based on:

35 (i) The most recent census data available as of January 1, 2023;
36 and

37 (ii) The annual population estimates published by the office of
38 financial management.

1 (d) In addition to the cannabis retailer licenses that may be
2 issued under (a) of this subsection, beginning January 1, 2024, and
3 until July 1, 2032, the board may issue up to 52 cannabis retailer
4 licenses for the social equity program.

5 (e)(i) At the time of licensure, all licenses issued under the
6 social equity program under this section may be located in any city,
7 town, or county in the state that allows cannabis retail, cannabis
8 production, or cannabis processing business activities, as
9 applicable, at the proposed location, regardless of:

10 (A) Whether a cannabis retailer license, cannabis producer
11 license, or cannabis processor license was originally allocated to or
12 issued in another city, town, or county; and

13 (B) The maximum number of retail cannabis licenses established by
14 the board for each county under RCW 69.50.345.

15 (ii) The board must adopt rules establishing a threshold of the
16 number of licenses created by this section that can be located in
17 each county.

18 (f) After a social equity license has been issued under this
19 section for a specific location, the location of the licensed
20 business may not be moved to a city, town, or county different from
21 the city, town, or county for which it was initially licensed.

22 (2)(a) In order to be considered for a (~~retail~~) cannabis
23 retailer license, cannabis processor license, or cannabis producer
24 license under subsection (1) of this section, an applicant must be a
25 social equity applicant and submit (~~a social equity plan along with~~
26 ~~other cannabis retailer license application requirements~~) required
27 cannabis license materials to the board. If the application proposes
28 ownership by more than one person, then at least (~~fifty-one~~) 51
29 percent of the proposed ownership structure must reflect the
30 qualifications of a social equity applicant.

31 (b) Persons holding an existing cannabis retailer license or
32 title certificate for a cannabis retailer business in a local
33 jurisdiction subject to a ban or moratorium on cannabis retail
34 businesses may apply for a license under this section.

35 (3)(a) In determining the priority for issuance of a license
36 among applicants, the board (~~may prioritize applicants based on the~~
37 ~~extent to which the application addresses the components of the~~
38 ~~social equity plan~~) must select a third-party contractor to identify
39 and score social equity applicants, using a scoring rubric developed

1 by the board. The board must rely on the score provided by the third-
2 party contractor in issuing licenses.

3 (b) The board may deny any application submitted under this
4 subsection if ~~((the))~~:

5 (i) The board determines that~~((~~

6 ~~(i) The application does not meet social equity goals or does not~~
7 ~~meet social equity plan requirements; or~~

8 ~~(ii) The application does not otherwise meet the licensing~~
9 ~~requirements of this chapter))~~, upon the advice of the third-party
10 contractor, the application does not meet the social equity licensing
11 requirements of this chapter; or

12 (ii) The board determines the application does not otherwise meet
13 licensing requirements.

14 (4) The board ~~((may))~~ must adopt rules to implement this section.
15 ~~((Rules may include strategies for receiving))~~ Prior to adopting any
16 rule implementing this section, the board must consider advice on the
17 social equity program from individuals the program is intended to
18 benefit. Rules may also require that licenses awarded under this
19 section only be transferred to or ~~((sold only to))~~ assumed by
20 individuals or groups of individuals who comply with the requirements
21 for initial licensure as a social equity applicant ~~((with a social~~
22 ~~equity plan under this section))~~ for a period of at least five years
23 from the date of initial licensure.

24 (5) The annual fee for issuance, reissuance, or renewal for any
25 license under this section must be ~~((equal to the fee established in~~
26 ~~RCW 69.50.325))~~ waived through July 1, 2032.

27 (6) ~~((For the purposes of this section:))~~ The definitions in this
28 subsection apply throughout this section unless the context clearly
29 requires otherwise.

30 (a) "Disproportionately impacted area" means a census tract or
31 comparable geographic area ~~((that satisfies the following criteria,~~
32 ~~which may be further defined in rule by the board after consultation~~
33 ~~with the commission on African American affairs and other agencies,~~
34 ~~commissions, and community members as determined by the board:~~

35 ~~(i) The area has a high poverty rate;~~

36 ~~(ii) The area has a high rate of participation in income-based~~
37 ~~federal or state programs))~~ within Washington state where community
38 members were more likely to be impacted by the war on drugs. These
39 areas must be determined in rule by the board, in consultation with
40 the office of equity, using a standardized statistical equation to

1 identify areas with demographic indicators consistent with
2 populations most impacted by the war on drugs. These areas must be
3 assessed to account for demographic changes in the composition of the
4 population over time. Disproportionately impacted areas must include
5 census tracts or comparable geographic areas in the top 15th
6 percentile in at least two of the following demographic indicators of
7 populations most impacted by the war on drugs:

8 (i) The area has a high rate of people living under the federal
9 poverty level;

10 (ii) The area has a high rate of people who did not graduate from
11 high school;

12 (iii) The area has a high rate of unemployment; ((and)) or

13 (iv) The area has a high rate of ((arrest, conviction, or
14 incarceration related to the sale, possession, use, cultivation,
15 manufacture, or transport of cannabis)) people receiving public
16 assistance.

17 (b) "Social equity applicant" means ((÷

18 ~~(i) An applicant who has at least fifty-one percent ownership and~~
19 ~~control by one or more individuals who have resided in a~~
20 ~~disproportionately impacted area for a period of time defined in rule~~
21 ~~by the board after consultation with the commission on African~~
22 ~~American affairs and other commissions, agencies, and community~~
23 ~~members as determined by the board;~~

24 ~~(ii) An applicant who has at least fifty-one percent ownership~~
25 ~~and control by at least one individual who has been convicted of a~~
26 ~~cannabis offense, a drug offense, or is a family member of such an~~
27 ~~individual; or~~

28 ~~(iii) An applicant who meets criteria defined in rule by the~~
29 ~~board after consultation with the commission on African American~~
30 ~~affairs and other commissions, agencies, and community members as~~
31 ~~determined by the board)) an applicant who has at least 51 percent
32 ownership and control by one or more individuals who meet at least
33 two of the following qualifications:~~

34 (i) Lived in a disproportionately impacted area in Washington
35 state for a minimum of five years between 1980 and 2010;

36 (ii) Has been arrested or convicted of a cannabis offense or has
37 a family member who has been arrested or convicted of a cannabis
38 offense;

39 (iii) Had a household income in the year prior to submitting an
40 application under this section that was less than the median

1 household income within the state of Washington as calculated by the
2 United States census bureau; or

3 (iv) Is both a socially and economically disadvantaged individual
4 as defined by the office of minority and women's business enterprises
5 under chapter 39.19 RCW.

6 (c) "Social equity goals" means:

7 (i) Increasing the number of cannabis retailer, producer, and
8 processor licenses held by social equity applicants from
9 disproportionately impacted areas; and

10 (ii) Reducing accumulated harm suffered by individuals, families,
11 and local areas subject to severe impacts from the historical
12 application and enforcement of cannabis prohibition laws.

13 ~~((d) "Social equity plan" means a plan that addresses at least~~
14 ~~some of the elements outlined in this subsection (6) (d), along with~~
15 ~~any additional plan components or requirements approved by the board~~
16 ~~following consultation with the task force created in RCW 69.50.336.~~
17 ~~The plan may include:~~

18 ~~(i) A statement that the social equity applicant qualifies as a~~
19 ~~social equity applicant and intends to own at least fifty-one percent~~
20 ~~of the proposed cannabis retail business or applicants representing~~
21 ~~at least fifty-one percent of the ownership of the proposed business~~
22 ~~qualify as social equity applicants;~~

23 ~~(ii) A description of how issuing a cannabis retail license to~~
24 ~~the social equity applicant will meet social equity goals;~~

25 ~~(iii) The social equity applicant's personal or family history~~
26 ~~with the criminal justice system including any offenses involving~~
27 ~~cannabis;~~

28 ~~(iv) The composition of the workforce the social equity applicant~~
29 ~~intends to hire;~~

30 ~~(v) Neighborhood characteristics of the location where the social~~
31 ~~equity applicant intends to operate, focusing especially on~~
32 ~~disproportionately impacted areas; and~~

33 ~~(vi) Business plans involving partnerships or assistance to~~
34 ~~organizations or residents with connection to populations with a~~
35 ~~history of high rates of enforcement of cannabis prohibition.))~~

36 (7) Except for the process detailed in subsection (1) of this
37 section, the process for creating new cannabis retail licenses under
38 this chapter remains unaltered.

1 **Sec. 4.** RCW 69.50.345 and 2022 c 16 s 64 are each amended to
2 read as follows:

3 The board, subject to the provisions of this chapter, must adopt
4 rules that establish the procedures and criteria necessary to
5 implement the following:

6 (1) Licensing of cannabis producers, cannabis processors, and
7 cannabis retailers, including prescribing forms and establishing
8 application, reinstatement, and renewal fees.

9 (a) Application forms for cannabis producers must request the
10 applicant to state whether the applicant intends to produce cannabis
11 for sale by cannabis retailers holding medical cannabis endorsements
12 and the amount of or percentage of canopy the applicant intends to
13 commit to growing plants determined by the department under RCW
14 69.50.375 to be of a THC concentration, CBD concentration, or THC to
15 CBD ratio appropriate for cannabis concentrates, useable cannabis, or
16 cannabis-infused products sold to qualifying patients.

17 (b) The board must reconsider and increase limits on the amount
18 of square feet permitted to be in production on July 24, 2015, and
19 increase the percentage of production space for those cannabis
20 producers who intend to grow plants for cannabis retailers holding
21 medical cannabis endorsements if the cannabis producer designates the
22 increased production space to plants determined by the department
23 under RCW 69.50.375 to be of a THC concentration, CBD concentration,
24 or THC to CBD ratio appropriate for cannabis concentrates, useable
25 cannabis, or cannabis-infused products to be sold to qualifying
26 patients. If current cannabis producers do not use all the increased
27 production space, the board may reopen the license period for new
28 cannabis producer license applicants but only to those cannabis
29 producers who agree to grow plants for cannabis retailers holding
30 medical cannabis endorsements. Priority in licensing must be given to
31 cannabis producer license applicants who have an application pending
32 on July 24, 2015, but who are not yet licensed and then to new
33 cannabis producer license applicants. After January 1, 2017, any
34 reconsideration of the limits on the amount of square feet permitted
35 to be in production to meet the medical needs of qualifying patients
36 must consider information contained in the medical cannabis
37 authorization database established in RCW 69.51A.230;

38 (2) (~~Determining~~) (a) Except as provided in RCW 69.50.335,
39 determining, in consultation with the office of financial management,

1 the maximum number of retail outlets that may be licensed in each
2 county, taking into consideration:

3 ~~((a))~~ (i) Population distribution;

4 ~~((b))~~ (ii) Security and safety issues;

5 ~~((c))~~ (iii) The provision of adequate access to licensed
6 sources of cannabis concentrates, useable cannabis, and cannabis-
7 infused products to discourage purchases from the illegal market; and

8 ~~((d))~~ (iv) The number of retail outlets holding medical
9 cannabis endorsements necessary to meet the medical needs of
10 qualifying patients. The board must reconsider and increase the
11 maximum number of retail outlets it established before July 24, 2015,
12 and allow for a new license application period and a greater number
13 of retail outlets to be permitted in order to accommodate the medical
14 needs of qualifying patients and designated providers. After January
15 1, 2017, any reconsideration of the maximum number of retail outlets
16 needed to meet the medical needs of qualifying patients must consider
17 information contained in the medical cannabis authorization database
18 established in RCW 69.51A.230.

19 (b) (i) In making the determination under (a) of this subsection,
20 the board must consider written input from an incorporated city or
21 town, or county legislative authority when evaluating concerns
22 related to outlet density.

23 (ii) An incorporated city or town, or county legislative
24 authority, may enact an ordinance prescribing outlet density
25 limitations. An ordinance may not affect licenses issued before the
26 effective date of the ordinance prescribing outlet density
27 limitations.

28 (iii) The board may adopt rules to identify how local
29 jurisdiction input will be evaluated;

30 (3) Determining the maximum quantity of cannabis a cannabis
31 producer may have on the premises of a licensed location at any time
32 without violating Washington state law;

33 (4) Determining the maximum quantities of cannabis, cannabis
34 concentrates, useable cannabis, and cannabis-infused products a
35 cannabis processor may have on the premises of a licensed location at
36 any time without violating Washington state law;

37 (5) Determining the maximum quantities of cannabis concentrates,
38 useable cannabis, and cannabis-infused products a cannabis retailer
39 may have on the premises of a retail outlet at any time without
40 violating Washington state law;

1 (6) In making the determinations required by this section, the
2 board shall take into consideration:

3 (a) Security and safety issues;

4 (b) The provision of adequate access to licensed sources of
5 cannabis, cannabis concentrates, useable cannabis, and cannabis-
6 infused products to discourage purchases from the illegal market; and

7 (c) Economies of scale, and their impact on licensees' ability to
8 both comply with regulatory requirements and undercut illegal market
9 prices;

10 (7) Determining the nature, form, and capacity of all containers
11 to be used by licensees to contain cannabis, cannabis concentrates,
12 useable cannabis, and cannabis-infused products, and their labeling
13 requirements;

14 (8) In consultation with the department of agriculture and the
15 department, establishing classes of cannabis, cannabis concentrates,
16 useable cannabis, and cannabis infused products according to grade,
17 condition, cannabinoid profile, THC concentration, CBD concentration,
18 or other qualitative measurements deemed appropriate by the board;

19 (9) Establishing reasonable time, place, and manner restrictions
20 and requirements regarding advertising of cannabis, cannabis
21 concentrates, useable cannabis, and cannabis-infused products that
22 are not inconsistent with the provisions of this chapter, taking into
23 consideration:

24 (a) Federal laws relating to cannabis that are applicable within
25 Washington state;

26 (b) Minimizing exposure of people under twenty-one years of age
27 to the advertising;

28 (c) The inclusion of medically and scientifically accurate
29 information about the health and safety risks posed by cannabis use
30 in the advertising; and

31 (d) Ensuring that retail outlets with medical cannabis
32 endorsements may advertise themselves as medical retail outlets;

33 (10) Specifying and regulating the time and periods when, and the
34 manner, methods, and means by which, licensees shall transport and
35 deliver cannabis, cannabis concentrates, useable cannabis, and
36 cannabis-infused products within the state;

37 (11) In consultation with the department and the department of
38 agriculture, establishing accreditation requirements for testing
39 laboratories used by licensees to demonstrate compliance with
40 standards adopted by the board, and prescribing methods of producing,

1 processing, and packaging cannabis, cannabis concentrates, useable
2 cannabis, and cannabis-infused products; conditions of sanitation;
3 and standards of ingredients, quality, and identity of cannabis,
4 cannabis concentrates, useable cannabis, and cannabis-infused
5 products produced, processed, packaged, or sold by licensees;

6 (12) Specifying procedures for identifying, seizing,
7 confiscating, destroying, and donating to law enforcement for
8 training purposes all cannabis, cannabis concentrates, useable
9 cannabis, and cannabis-infused products produced, processed,
10 packaged, labeled, or offered for sale in this state that do not
11 conform in all respects to the standards prescribed by this chapter
12 or the rules of the board.

13 **Sec. 5.** RCW 69.50.345 and 2022 c 16 s 65 are each amended to
14 read as follows:

15 The board, subject to the provisions of this chapter, must adopt
16 rules that establish the procedures and criteria necessary to
17 implement the following:

18 (1) Licensing of cannabis producers, cannabis processors, and
19 cannabis retailers, including prescribing forms and establishing
20 application, reinstatement, and renewal fees.

21 (a) Application forms for cannabis producers must request the
22 applicant to state whether the applicant intends to produce cannabis
23 for sale by cannabis retailers holding medical cannabis endorsements
24 and the amount of or percentage of canopy the applicant intends to
25 commit to growing plants determined by the department under RCW
26 69.50.375 to be of a THC concentration, CBD concentration, or THC to
27 CBD ratio appropriate for cannabis concentrates, useable cannabis, or
28 cannabis-infused products sold to qualifying patients.

29 (b) The board must reconsider and increase limits on the amount
30 of square feet permitted to be in production on July 24, 2015, and
31 increase the percentage of production space for those cannabis
32 producers who intend to grow plants for cannabis retailers holding
33 medical cannabis endorsements if the cannabis producer designates the
34 increased production space to plants determined by the department
35 under RCW 69.50.375 to be of a THC concentration, CBD concentration,
36 or THC to CBD ratio appropriate for cannabis concentrates, useable
37 cannabis, or cannabis-infused products to be sold to qualifying
38 patients. If current cannabis producers do not use all the increased
39 production space, the board may reopen the license period for new

1 cannabis producer license applicants but only to those cannabis
2 producers who agree to grow plants for cannabis retailers holding
3 medical cannabis endorsements. Priority in licensing must be given to
4 cannabis producer license applicants who have an application pending
5 on July 24, 2015, but who are not yet licensed and then to new
6 cannabis producer license applicants. After January 1, 2017, any
7 reconsideration of the limits on the amount of square feet permitted
8 to be in production to meet the medical needs of qualifying patients
9 must consider information contained in the medical cannabis
10 authorization database established in RCW 69.51A.230;

11 (2) (~~Determining~~) (a) Except as provided in RCW 69.50.335,
12 determining, in consultation with the office of financial management,
13 the maximum number of retail outlets that may be licensed in each
14 county, taking into consideration:

15 (~~(a)~~) (i) Population distribution;

16 (~~(b)~~) (ii) Security and safety issues;

17 (~~(c)~~) (iii) The provision of adequate access to licensed
18 sources of cannabis concentrates, useable cannabis, and cannabis-
19 infused products to discourage purchases from the illegal market; and

20 (~~(d)~~) (iv) The number of retail outlets holding medical
21 cannabis endorsements necessary to meet the medical needs of
22 qualifying patients. The board must reconsider and increase the
23 maximum number of retail outlets it established before July 24, 2015,
24 and allow for a new license application period and a greater number
25 of retail outlets to be permitted in order to accommodate the medical
26 needs of qualifying patients and designated providers. After January
27 1, 2017, any reconsideration of the maximum number of retail outlets
28 needed to meet the medical needs of qualifying patients must consider
29 information contained in the medical cannabis authorization database
30 established in RCW 69.51A.230.

31 (b) (i) In making the determination under (a) of this subsection,
32 the board must consider written input from an incorporated city or
33 town, or county legislative authority when evaluating concerns
34 related to outlet density.

35 (ii) An incorporated city or town, or county legislative
36 authority, may enact an ordinance prescribing outlet density
37 limitations. An ordinance may not affect licenses issued before the
38 effective date of the ordinance prescribing outlet density
39 limitations.

1 (iii) The board may adopt rules to identify how local
2 jurisdiction input will be evaluated;

3 (3) Determining the maximum quantity of cannabis a cannabis
4 producer may have on the premises of a licensed location at any time
5 without violating Washington state law;

6 (4) Determining the maximum quantities of cannabis, cannabis
7 concentrates, useable cannabis, and cannabis-infused products a
8 cannabis processor may have on the premises of a licensed location at
9 any time without violating Washington state law;

10 (5) Determining the maximum quantities of cannabis concentrates,
11 useable cannabis, and cannabis-infused products a cannabis retailer
12 may have on the premises of a retail outlet at any time without
13 violating Washington state law;

14 (6) In making the determinations required by this section, the
15 board shall take into consideration:

16 (a) Security and safety issues;

17 (b) The provision of adequate access to licensed sources of
18 cannabis, cannabis concentrates, useable cannabis, and cannabis-
19 infused products to discourage purchases from the illegal market; and

20 (c) Economies of scale, and their impact on licensees' ability to
21 both comply with regulatory requirements and undercut illegal market
22 prices;

23 (7) Determining the nature, form, and capacity of all containers
24 to be used by licensees to contain cannabis, cannabis concentrates,
25 useable cannabis, and cannabis-infused products, and their labeling
26 requirements;

27 (8) In consultation with the department of agriculture and the
28 department, establishing classes of cannabis, cannabis concentrates,
29 useable cannabis, and cannabis-infused products according to grade,
30 condition, cannabinoid profile, THC concentration, CBD concentration,
31 or other qualitative measurements deemed appropriate by the board;

32 (9) Establishing reasonable time, place, and manner restrictions
33 and requirements regarding advertising of cannabis, cannabis
34 concentrates, useable cannabis, and cannabis-infused products that
35 are not inconsistent with the provisions of this chapter, taking into
36 consideration:

37 (a) Federal laws relating to cannabis that are applicable within
38 Washington state;

39 (b) Minimizing exposure of people under (~~twenty-one~~) 21 years
40 of age to the advertising;

1 (c) The inclusion of medically and scientifically accurate
2 information about the health and safety risks posed by cannabis use
3 in the advertising; and

4 (d) Ensuring that retail outlets with medical cannabis
5 endorsements may advertise themselves as medical retail outlets;

6 (10) Specifying and regulating the time and periods when, and the
7 manner, methods, and means by which, licensees shall transport and
8 deliver cannabis, cannabis concentrates, useable cannabis, and
9 cannabis-infused products within the state;

10 (11) In consultation with the department and the department of
11 agriculture, prescribing methods of producing, processing, and
12 packaging cannabis, cannabis concentrates, useable cannabis, and
13 cannabis-infused products; conditions of sanitation; and standards of
14 ingredients, quality, and identity of cannabis, cannabis
15 concentrates, useable cannabis, and cannabis-infused products
16 produced, processed, packaged, or sold by licensees;

17 (12) Specifying procedures for identifying, seizing,
18 confiscating, destroying, and donating to law enforcement for
19 training purposes all cannabis, cannabis concentrates, useable
20 cannabis, and cannabis-infused products produced, processed,
21 packaged, labeled, or offered for sale in this state that do not
22 conform in all respects to the standards prescribed by this chapter
23 or the rules of the board.

24 **Sec. 6.** RCW 69.50.101 and 2022 c 16 s 51 are each reenacted and
25 amended to read as follows:

26 The definitions in this section apply throughout this chapter
27 unless the context clearly requires otherwise.

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

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

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

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

39 (c) "Board" means the Washington state liquor and cannabis board.

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

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

13 (2) Hemp or industrial hemp as defined in RCW 15.140.020, seeds
14 used for licensed hemp production under chapter 15.140 RCW.

15 (e) "Cannabis concentrates" means products consisting wholly or
16 in part of the resin extracted from any part of the plant *Cannabis*
17 and having a THC concentration greater than ten percent.

18 (f) "Cannabis processor" means a person licensed by the board to
19 process cannabis into cannabis concentrates, useable cannabis, and
20 cannabis-infused products, package and label cannabis concentrates,
21 useable cannabis, and cannabis-infused products for sale in retail
22 outlets, and sell cannabis concentrates, useable cannabis, and
23 cannabis-infused products at wholesale to cannabis retailers.

24 (g) "Cannabis producer" means a person licensed by the board to
25 produce and sell cannabis at wholesale to cannabis processors and
26 other cannabis producers.

27 (h) "Cannabis products" means useable cannabis, cannabis
28 concentrates, and cannabis-infused products as defined in this
29 section.

30 (i) "Cannabis researcher" means a person licensed by the board to
31 produce, process, and possess cannabis for the purposes of conducting
32 research on cannabis and cannabis-derived drug products.

33 (j) "Cannabis retailer" means a person licensed by the board to
34 sell cannabis concentrates, useable cannabis, and cannabis-infused
35 products in a retail outlet.

36 (k) "Cannabis-infused products" means products that contain
37 cannabis or cannabis extracts, are intended for human use, are
38 derived from cannabis as defined in subsection (d) of this section,
39 and have a THC concentration no greater than ten percent. The term

1 "cannabis-infused products" does not include either useable cannabis
2 or cannabis concentrates.

3 (l) "CBD concentration" has the meaning provided in RCW
4 69.51A.010.

5 (m) "CBD product" means any product containing or consisting of
6 cannabidiol.

7 (n) "Commission" means the pharmacy quality assurance commission.

8 (o) "Controlled substance" means a drug, substance, or immediate
9 precursor included in Schedules I through V as set forth in federal
10 or state laws, or federal or commission rules, but does not include
11 hemp or industrial hemp as defined in RCW 15.140.020.

12 (p)(1) "Controlled substance analog" means a substance the
13 chemical structure of which is substantially similar to the chemical
14 structure of a controlled substance in Schedule I or II and:

15 (i) that has a stimulant, depressant, or hallucinogenic effect on
16 the central nervous system substantially similar to the stimulant,
17 depressant, or hallucinogenic effect on the central nervous system of
18 a controlled substance included in Schedule I or II; or

19 (ii) with respect to a particular individual, that the individual
20 represents or intends to have a stimulant, depressant, or
21 hallucinogenic effect on the central nervous system substantially
22 similar to the stimulant, depressant, or hallucinogenic effect on the
23 central nervous system of a controlled substance included in Schedule
24 I or II.

25 (2) The term does not include:

26 (i) a controlled substance;

27 (ii) a substance for which there is an approved new drug
28 application;

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

34 (iv) any substance to the extent not intended for human
35 consumption before an exemption takes effect with respect to the
36 substance.

37 (q) "Deliver" or "delivery" means the actual or constructive
38 transfer from one person to another of a substance, whether or not
39 there is an agency relationship.

40 (r) "Department" means the department of health.

1 (s) "Designated provider" has the meaning provided in RCW
2 69.51A.010.

3 (t) "Dispense" means the interpretation of a prescription or
4 order for a controlled substance and, pursuant to that prescription
5 or order, the proper selection, measuring, compounding, labeling, or
6 packaging necessary to prepare that prescription or order for
7 delivery.

8 (u) "Dispenser" means a practitioner who dispenses.

9 (v) "Distribute" means to deliver other than by administering or
10 dispensing a controlled substance.

11 (w) "Distributor" means a person who distributes.

12 (x) "Drug" means (1) a controlled substance recognized as a drug
13 in the official United States pharmacopoeia/national formulary or the
14 official homeopathic pharmacopoeia of the United States, or any
15 supplement to them; (2) controlled substances intended for use in the
16 diagnosis, cure, mitigation, treatment, or prevention of disease in
17 individuals or animals; (3) controlled substances (other than food)
18 intended to affect the structure or any function of the body of
19 individuals or animals; and (4) controlled substances intended for
20 use as a component of any article specified in (1), (2), or (3) of
21 this subsection. The term does not include devices or their
22 components, parts, or accessories.

23 (y) "Drug enforcement administration" means the drug enforcement
24 administration in the United States Department of Justice, or its
25 successor agency.

26 (z) "Electronic communication of prescription information" means
27 the transmission of a prescription or refill authorization for a drug
28 of a practitioner using computer systems. The term does not include a
29 prescription or refill authorization verbally transmitted by
30 telephone nor a facsimile manually signed by the practitioner.

31 (aa) "Immature plant or clone" means a plant or clone that has no
32 flowers, is less than twelve inches in height, and is less than
33 twelve inches in diameter.

34 (bb) "Immediate precursor" means a substance:

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

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

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

3 (cc) "Isomer" means an optical isomer, but in subsection (gg)(5)
4 of this section, RCW 69.50.204(a) (12) and (34), and 69.50.206(b)(4),
5 the term includes any geometrical isomer; in RCW 69.50.204(a) (8) and
6 (42), and 69.50.210(c) the term includes any positional isomer; and
7 in RCW 69.50.204(a)(35), 69.50.204(c), and 69.50.208(a) the term
8 includes any positional or geometric isomer.

9 (dd) "Lot" means a definite quantity of cannabis, cannabis
10 concentrates, useable cannabis, or cannabis-infused product
11 identified by a lot number, every portion or package of which is
12 uniform within recognized tolerances for the factors that appear in
13 the labeling.

14 (ee) "Lot number" must identify the licensee by business or trade
15 name and Washington state unified business identifier number, and the
16 date of harvest or processing for each lot of cannabis, cannabis
17 concentrates, useable cannabis, or cannabis-infused product.

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

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

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

34 (gg) "Narcotic drug" means any of the following, whether produced
35 directly or indirectly by extraction from substances of vegetable
36 origin, or independently by means of chemical synthesis, or by a
37 combination of extraction and chemical synthesis:

38 (1) Opium, opium derivative, and any derivative of opium or opium
39 derivative, including their salts, isomers, and salts of isomers,
40 whenever the existence of the salts, isomers, and salts of isomers is

1 possible within the specific chemical designation. The term does not
2 include the isoquinoline alkaloids of opium.

3 (2) Synthetic opiate and any derivative of synthetic opiate,
4 including their isomers, esters, ethers, salts, and salts of isomers,
5 esters, and ethers, whenever the existence of the isomers, esters,
6 ethers, and salts is possible within the specific chemical
7 designation.

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

9 (4) Coca leaves, except coca leaves and extracts of coca leaves
10 from which cocaine, ecgonine, and derivatives or ecgonine or their
11 salts have been removed.

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

13 (6) Cocaine base.

14 (7) Ecgonine, or any derivative, salt, isomer, or salt of isomer
15 thereof.

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

18 (hh) "Opiate" means any substance having an addiction-forming or
19 addiction-sustaining liability similar to morphine or being capable
20 of conversion into a drug having addiction-forming or addiction-
21 sustaining liability. The term includes opium, substances derived
22 from opium (opium derivatives), and synthetic opiates. The term does
23 not include, unless specifically designated as controlled under RCW
24 69.50.201, the dextrorotatory isomer of 3-methoxy-n-methylmorphinan
25 and its salts (dextromethorphan). The term includes the racemic and
26 levorotatory forms of dextromethorphan.

27 (ii) "Opium poppy" means the plant of the species *Papaver*
28 *somniferum* L., except its seeds.

29 (jj) "Person" means individual, corporation, business trust,
30 estate, trust, partnership, association, joint venture, government,
31 governmental subdivision or agency, or any other legal or commercial
32 entity.

33 (kk) "Plant" has the meaning provided in RCW 69.51A.010.

34 (ll) "Poppy straw" means all parts, except the seeds, of the
35 opium poppy, after mowing.

36 (mm) "Practitioner" means:

37 (1) A physician under chapter 18.71 RCW; a physician assistant
38 under chapter 18.71A RCW; an osteopathic physician and surgeon under
39 chapter 18.57 RCW; an optometrist licensed under chapter 18.53 RCW
40 who is certified by the optometry board under RCW 18.53.010 subject

1 to any limitations in RCW 18.53.010; a dentist under chapter 18.32
2 RCW; a podiatric physician and surgeon under chapter 18.22 RCW; a
3 veterinarian under chapter 18.92 RCW; a registered nurse, advanced
4 registered nurse practitioner, or licensed practical nurse under
5 chapter 18.79 RCW; a naturopathic physician under chapter 18.36A RCW
6 who is licensed under RCW 18.36A.030 subject to any limitations in
7 RCW 18.36A.040; a pharmacist under chapter 18.64 RCW or a scientific
8 investigator under this chapter, licensed, registered or otherwise
9 permitted insofar as is consistent with those licensing laws to
10 distribute, dispense, conduct research with respect to or administer
11 a controlled substance in the course of their professional practice
12 or research in this state.

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

17 (3) A physician licensed to practice medicine and surgery, a
18 physician licensed to practice osteopathic medicine and surgery, a
19 dentist licensed to practice dentistry, a podiatric physician and
20 surgeon licensed to practice podiatric medicine and surgery, a
21 licensed physician assistant or a licensed osteopathic physician
22 assistant specifically approved to prescribe controlled substances by
23 his or her state's medical commission or equivalent and his or her
24 supervising physician, an advanced registered nurse practitioner
25 licensed to prescribe controlled substances, or a veterinarian
26 licensed to practice veterinary medicine in any state of the United
27 States.

28 (nn) "Prescription" means an order for controlled substances
29 issued by a practitioner duly authorized by law or rule in the state
30 of Washington to prescribe controlled substances within the scope of
31 his or her professional practice for a legitimate medical purpose.

32 (oo) "Production" includes the manufacturing, planting,
33 cultivating, growing, or harvesting of a controlled substance.

34 (pp) "Qualifying patient" has the meaning provided in RCW
35 69.51A.010.

36 (qq) "Recognition card" has the meaning provided in RCW
37 69.51A.010.

38 (rr) "Retail outlet" means a location licensed by the board for
39 the retail sale of cannabis concentrates, useable cannabis, and
40 cannabis-infused products.

1 (ss) "Secretary" means the secretary of health or the secretary's
2 designee.

3 (tt) "Social equity plan" means a plan that addresses at least
4 some of the elements outlined in this subsection (tt), along with any
5 additional plan components or requirements approved by the board
6 following consultation with the task force created in RCW 69.50.336.
7 The plan may include:

8 (1) A statement that indicates how the cannabis licensee will
9 work to promote social equity goals in their community;

10 (2) A description of how the cannabis licensee will meet social
11 equity goals as defined in RCW 69.50.335;

12 (3) The composition of the workforce the licensee has employed or
13 intends to hire; and

14 (4) Business plans involving partnerships or assistance to
15 organizations or residents with connections to populations with a
16 history of high rates of enforcement of cannabis prohibition.

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

21 (~~(uu)~~) (vv) "THC concentration" means percent of delta-9
22 tetrahydrocannabinol content per dry weight of any part of the plant
23 *Cannabis*, or per volume or weight of cannabis product, or the
24 combined percent of delta-9 tetrahydrocannabinol and
25 tetrahydrocannabinolic acid in any part of the plant *Cannabis*
26 regardless of moisture content.

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

32 (~~(ww)~~) (xx) "Useable cannabis" means dried cannabis flowers.
33 The term "useable cannabis" does not include either cannabis-infused
34 products or cannabis concentrates.

35 (~~(xx)~~) (yy) "Youth access" means the level of interest persons
36 under the age of twenty-one may have in a vapor product, as well as
37 the degree to which the product is available or appealing to such
38 persons, and the likelihood of initiation, use, or addiction by
39 adolescents and young adults.

1 NEW SECTION. **Sec. 7.** (1) The joint legislative audit and review
2 committee must review prior canopy studies completed by the liquor
3 and cannabis board and examine whether current levels of cannabis
4 production align with market demand and capacity, including the
5 impact of any additional cannabis producer licenses granted under
6 this act.

7 (2) The joint legislative audit and review committee must report
8 results of their review to the governor and appropriate committees of
9 the legislature by June 30, 2025.

10 NEW SECTION. **Sec. 8.** Section 4 of this act expires July 1,
11 2024.

12 NEW SECTION. **Sec. 9.** Section 5 of this act takes effect July 1,
13 2024.

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