
HOUSE BILL 2740

State of Washington

69th Legislature

2026 Regular Session

By Representative Reeves

Read first time 02/24/26. Referred to Committee on Consumer Protection & Business.

1 AN ACT Relating to hemp-derived cannabinoid products; amending
2 RCW 15.140.020, 69.50.101, 69.50.101, and 69.50.325; adding new
3 sections to chapter 15.140 RCW; adding a new section to chapter 69.50
4 RCW; adding a new section to chapter 82.32 RCW; creating a new
5 section; prescribing penalties; providing effective dates; providing
6 an expiration date; and declaring an emergency.

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

8 **Sec. 1.** RCW 15.140.020 and 2023 c 365 s 1 are each amended to
9 read as follows:

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

12 (1) "Agriculture improvement act of 2018" means sections 7605,
13 10113, 10114, and 12619 of the agriculture improvement act of 2018,
14 P.L. 115-334.

15 (2) "Cannabis" has the meaning provided in RCW 69.50.101.

16 (3) "Container" means the innermost bottle, can, jar, bag, box,
17 cartridge, or other receptacle that is in direct contact with a hemp-
18 derived cannabinoid product and is used for retail sale to a
19 consumer.

20 (4) "Crop" means hemp grown as an agricultural commodity.

1 ~~((4))~~ (5) "Cultivar" means a variation of the plant *Cannabis*
2 *sativa* L. that has been developed through cultivation by selective
3 breeding.

4 ~~((5))~~ (6) "Department" means the Washington state department of
5 agriculture.

6 ~~((6))~~ (7) "Food" has the same meaning as defined in RCW
7 69.07.010.

8 ~~((7))~~ (8) "Hemp" means the plant *Cannabis sativa* L. and any
9 part of that plant, including the seeds thereof and all derivatives,
10 extracts, cannabinoids, isomers, acids, salts, and salts of isomers,
11 whether growing or not, with a ~~((delta-9))~~ total tetrahydrocannabinol
12 concentration of not more than 0.3 percent on a dry weight basis,
13 measured after decarboxylation.

14 ~~((8))~~ (9) "Hemp consumable" means a product that is sold or
15 provided to another person, that is:

16 (a) Made of hemp;

17 (b) Not a cannabis product, as defined in RCW 69.50.101; and

18 (c) Intended to be consumed or absorbed inside the body by any
19 means, including inhalation, ingestion, or insertion.

20 ~~((9))~~ (10) "Hemp-derived cannabinoid product" means a hemp
21 consumable that contains one or more cannabinoids derived from hemp,
22 including tetrahydrocannabinols, and is packaged in a container for
23 retail sale.

24 (11) "Hemp processor" means a person who takes possession of raw
25 hemp material with the intent to modify, package, or sell a
26 transitional or finished hemp product.

27 ~~((10)(a))~~ "~~Industrial hemp~~" means ~~all parts and varieties of the~~
28 ~~genera *Cannabis*, cultivated or possessed by a grower, whether growing~~
29 ~~or not, that contain a tetrahydrocannabinol concentration of 0.3~~
30 ~~percent or less by dry weight that was grown under the industrial~~
31 ~~hemp research program as it existed on December 31, 2019.~~

32 ~~(b)~~ "~~Industrial hemp~~" does not include plants of the genera
33 ~~*Cannabis* that meet the definition of "cannabis."~~

34 ~~((11))~~ (12) "Postharvest test" means a test of
35 ~~((tetrahydrocannabinol concentration levels of hemp after being~~
36 ~~harvested based on:~~

37 ~~(a)~~ ~~Ground whole plant samples without heat applied; or~~

38 ~~(b)~~ ~~Other approved testing methods))~~ hemp after harvest for the
39 purpose of determining the total level of delta-9
40 tetrahydrocannabinol concentration on a dry weight basis.

1 ~~((12))~~ (13) "Process" means ~~((the processing, compounding, or~~
2 ~~conversion of hemp into hemp commodities or products))~~ a method of
3 preparing hemp or hemp products and includes, but is not limited to,
4 decortication, devitalization, extraction, crushing, packaging, or
5 changing the form of the hemp, or changing the hemp into a hemp
6 product.

7 ~~((13))~~ (14) "Produce" or "production" means the planting,
8 cultivation, growing, or harvesting of hemp including hemp seed.

9 (15) "Total tetrahydrocannabinols" means the sum of
10 tetrahydrocannabinol and tetrahydrocannabinolic acid and any other
11 tetrahydrocannabinol isomers included in federal law for purposes of
12 determining compliance with hemp standards, calculated on a molar
13 basis as provided in federal regulations.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 15.140
15 RCW to read as follows:

16 (1) A hemp-derived cannabinoid product remains hemp and a hemp
17 consumable for the purposes of this chapter only if:

18 (a) The hemp used to produce the product meets the definition of
19 hemp in RCW 15.140.020, including the 0.3 percent total
20 tetrahydrocannabinols dry-weight limit; and

21 (b) The product contains not more than 0.4 milligrams combined
22 total per container of:

23 (i) Total tetrahydrocannabinols; and

24 (ii) Any other cannabinoids that federal law or the United States
25 department of health and human services determines have effects on
26 humans or animals that are similar to tetrahydrocannabinols, or that
27 are marketed as having such effects.

28 (2) A hemp-derived cannabinoid product does not qualify as hemp
29 or as a hemp consumable under this chapter if it:

30 (a) Contains a cannabinoid that cannot be produced naturally by
31 the *Cannabis sativa L.* plant; or

32 (b) Contains a naturally occurring cannabinoid that has been
33 synthesized or manufactured outside of the plant.

34 (3)(a) A person may not sell, furnish, or transfer a hemp
35 consumable that contains any detectable amount of
36 tetrahydrocannabinols, including any hemp-derived cannabinoid
37 product, to a person under 21 years of age.

38 (b) A person purchasing a hemp consumable described in (a) of
39 this subsection must be at least 21 years of age and must present

1 satisfactory evidence of age in a form permitted for age-restricted
2 products under state law.

3 (4) Any hemp-derived cannabinoid product that does not comply
4 with subsections (1) and (2) of this section, or that is sold or
5 distributed in violation of subsection (3) of this section, is not a
6 hemp consumable under this chapter and is subject to regulation and
7 enforcement as cannabis or a cannabis product, as those terms are
8 defined in RCW 69.50.101 and related provisions.

9 (5) The department may adopt rules to implement this section
10 including, but not limited to, testing, recordkeeping, and labeling
11 requirements necessary to determine compliance with the per container
12 limit established in subsection (1)(b) of this section, and to ensure
13 appropriate age verification at the point of sale.

14 NEW SECTION. **Sec. 3.** A new section is added to chapter 15.140
15 RCW to read as follows:

16 (1)(a) A person may not manufacture, distribute, or sell a hemp-
17 derived cannabinoid product in this state unless the product and its
18 product formulation are registered annually with the department, as
19 provided in this section.

20 (b) For purposes of this subsection, "product formulation" means
21 a distinct combination of:

22 (i) Active hemp-derived ingredients including total
23 tetrahydrocannabinols;

24 (ii) Product form and delivery system including, but not limited
25 to, beverage, edible, capsule, or tincture; and

26 (iii) Strength or concentration of active ingredients per
27 serving.

28 (2) The department shall establish by rule an annual hemp-derived
29 cannabinoid product registration program. At a minimum, the rules
30 must:

31 (a) Require a separate registration for each product formulation;

32 (b) Require submission of product labels, ingredient lists, and
33 certificates of analysis from a qualifying laboratory;

34 (c) Establish procedures for renewal, modification, and
35 cancellation of registrations; and

36 (d) Provide for suspension and revocation of a registration for
37 violations of this chapter or rules adopted under it.

38 (3)(a) The department shall assess an annual registration fee for
39 each hemp-derived cannabinoid product formulation.

1 (b) The department shall set the amount of the registration fee
2 by rule, but in no case may the annual registration fee be less than
3 \$2,500 per product formulation per year.

4 (c) Registration fees collected under this subsection (3) must be
5 deposited in the hemp regulatory account created in RCW 15.140.080
6 for the administration and enforcement of this chapter.

7 (4)(a) A person who manufactures, distributes, or sells a hemp-
8 derived cannabinoid product in this state that is not registered with
9 the department as required under this section is subject to a civil
10 penalty of up to \$10,000 per product, per day, in addition to any
11 other remedy available under state law.

12 (b) Each distinct product formulation and each day of violation
13 is a separate violation for purposes of assessing civil penalties
14 under this subsection (4).

15 (5) In addition to civil penalties under subsection (4) of this
16 section, the department may:

17 (a) Issue a stop-sale, stop-distribution, or embargo order for
18 any noncompliant product;

19 (b) Refer violations to the Washington state liquor and cannabis
20 board or the attorney general for investigation and enforcement as
21 unlicensed cannabis activity when the product meets the definition of
22 cannabis or cannabis product under chapter 69.50 RCW; and

23 (c) Seek injunctive relief in superior court to prevent ongoing
24 or threatened violations of this chapter.

25 (6) The department may coordinate product registration and
26 enforcement activities under this section with other department
27 programs regulating food processing, labeling, and consumer
28 protection, but retains primary responsibility for administration of
29 this chapter.

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

32 (1) A licensed cannabis processor may manufacture, package, and
33 label products that meet the definition of a hemp consumable and a
34 hemp-derived cannabinoid product under chapter 15.140 RCW, including
35 products containing tetrahydrocannabinols, only if:

36 (a) The hemp and hemp-derived ingredients used in the product
37 meet the definition of hemp in RCW 15.140.020, including the total
38 tetrahydrocannabinols concentration of not more than 0.3 percent on a
39 dry weight basis;

1 (b) Each finished product container contains not more than 0.4
2 milligrams total tetrahydrocannabinols per container, as provided in
3 chapter 15.140 RCW; and

4 (c) The product otherwise complies with all requirements of
5 chapter 15.140 RCW and rules adopted under that chapter, including
6 any product registration, testing, labeling, and age restriction
7 requirements.

8 (2) A licensed cannabis processor that manufactures products
9 under subsection (1) of this section:

10 (a) Must hold and maintain a valid processor license under this
11 chapter;

12 (b) Is subject to all applicable rules of the board governing
13 processing operations, recordkeeping, testing, packaging, and
14 labeling; and

15 (c) May sell or transfer such products to:

16 (i) Other licenses under this chapter for further processing or
17 distribution; and

18 (ii) Any person or entity for resale or retail sale in this state
19 including, but not limited to, grocery stores, convenience stores,
20 and other noncannabis retail outlets, so long as the products comply
21 with chapter 15.140 RCW, are registered with the department of
22 agriculture, do not exceed the 0.4 milligram total
23 tetrahydrocannabinols per container limit, and are sold in accordance
24 with applicable age restriction requirements.

25 (3) Products manufactured under this section that do not comply
26 with the 0.4 milligram per container limit or other requirements of
27 chapter 15.140 RCW are cannabis products and must comply with all
28 provisions of this chapter and rules adopted under it and may not be
29 represented or sold as hemp consumables.

30 (4) The board may adopt rules to implement this section,
31 including rules:

32 (a) Governing the use of hemp and hemp-derived ingredients by
33 licensed cannabis processors;

34 (b) Establishing traceability, segregation, and recordkeeping
35 requirements for hemp-derived cannabinoid products manufactured by
36 licensed cannabis processors; and

37 (c) Coordinating with the department of agriculture to avoid
38 duplication of testing or registration requirements where practical.

1 NEW SECTION. **Sec. 5.** The department may adopt rules necessary
2 to implement sections 1 and 2 of this act.

3 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.32
4 RCW to read as follows:

5 (1) (a) There is levied and collected a hemp-derived cannabinoid
6 product tax equal to 10 percent of the selling price on each retail
7 sale of a hemp-derived cannabinoid product. This tax is separate and
8 in addition to general state and local sales and use taxes that apply
9 to retail sales of tangible personal property, and is not part of the
10 total retail price to which general state and local sales and use
11 taxes apply. The tax must be separately itemized from the state and
12 local retail sales tax on the sales receipt provided to the buyer.

13 (b) The tax levied in this section must be reflected in the price
14 list or quoted price at the licensed premises and in any advertising
15 that includes prices for all hemp-derived cannabinoid products.

16 (2) For revenues collected from the hemp-derived cannabinoid
17 product tax imposed under this section, 50 percent must be deposited
18 each day in the hemp regulatory account established in RCW 15.140.080
19 and 50 percent must be deposited in the state general fund.

20 (3) The tax imposed in this section must be paid by the buyer to
21 the seller. Each seller must collect from the buyer the full amount
22 of the tax payable on each taxable sale. The tax collected as
23 required by this section is deemed to be held in trust by the seller
24 until paid to the department. If any seller fails to collect the tax
25 imposed in this section or, having collected the tax, fails to pay it
26 as prescribed by the department, whether such failure is the result
27 of the seller's own acts or the result of acts or conditions beyond
28 the seller's control, the seller is, nevertheless, personally liable
29 to the state for the amount of the tax.

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

32 (a) "Hemp-derived cannabinoid product" has the same meaning as in
33 RCW 15.140.020.

34 (b) "Retail sale" has the same meaning as in RCW 82.08.010.

35 (c) "Selling price" has the same meaning as in RCW 82.08.010,
36 except that when a product is sold under circumstances where the
37 total amount of consideration paid for the product is not indicative
38 of its true value, "selling price" means the true value of the
39 product sold.

1 (d) "True value" means market value based on sales at comparable
2 locations in this state of the same or similar product of like
3 quality and character sold under comparable conditions of sale to
4 comparable purchasers. However, in the absence of such sales of the
5 same or similar product, true value means the value of the product
6 sold as determined by all of the seller's direct and indirect costs
7 attributable to the product.

8 NEW SECTION. **Sec. 7.** A new section is added to chapter 15.140
9 RCW to read as follows:

10 The legislature does not intend and does not authorize any person
11 or entity to engage in activities or to conspire to engage in
12 activities that would constitute per se violations of state and
13 federal antitrust laws including, but not limited to, agreements
14 among retailers as to the selling price of any goods sold.

15 **Sec. 8.** RCW 69.50.101 and 2024 c 62 s 17 are each amended to
16 read as follows:

17 The definitions in this section apply throughout this chapter
18 unless the context clearly requires otherwise.

19 (1) "Administer" means to apply a controlled substance, whether
20 by injection, inhalation, ingestion, or any other means, directly to
21 the body of a patient or research subject by:

22 (a) a practitioner authorized to prescribe (or, by the
23 practitioner's authorized agent); or

24 (b) the patient or research subject at the direction and in the
25 presence of the practitioner.

26 (2) "Agent" means an authorized person who acts on behalf of or
27 at the direction of a manufacturer, distributor, or dispenser. It
28 does not include a common or contract carrier, public
29 warehouseperson, or employee of the carrier or warehouseperson.

30 (3) "Board" means the Washington state liquor and cannabis board.

31 (4) "Cannabis" means all parts of the plant *Cannabis*, whether
32 growing or not, with a THC concentration greater than 0.3 percent on
33 a dry weight basis during the growing cycle through harvest and
34 usable cannabis. "Cannabis" does not include hemp or industrial hemp
35 as defined in RCW 15.140.020, or seeds used for licensed hemp
36 production under chapter 15.140 RCW.

1 (5) "Cannabis concentrates" means products consisting wholly or
2 in part of the resin extracted from any part of the plant *Cannabis*
3 and having a THC concentration greater than (~~ten~~) 10 percent.

4 (6) "Cannabis processor" means a person licensed by the board to
5 process cannabis into cannabis concentrates, useable cannabis, and
6 cannabis-infused products, package and label cannabis concentrates,
7 useable cannabis, and cannabis-infused products for sale in retail
8 outlets, and sell cannabis concentrates, useable cannabis, and
9 cannabis-infused products at wholesale to cannabis retailers.

10 (7) "Cannabis producer" means a person licensed by the board to
11 produce and sell cannabis at wholesale to cannabis processors and
12 other cannabis producers.

13 (8)(a) "Cannabis products" means useable cannabis, cannabis
14 concentrates, and cannabis-infused products as defined in this
15 section, including any product intended to be consumed or absorbed
16 inside the body by any means including inhalation, ingestion, or
17 insertion, with (~~any detectable amount of THC~~) a total THC
18 concentration of more than 0.3 percent on a dry weight basis.

19 (b) "Cannabis products" also means any product containing only
20 THC content.

21 (c) "Cannabis products" does not include cannabis health and
22 beauty aids as defined in RCW 69.50.575 or products approved by the
23 United States food and drug administration.

24 (9) "Cannabis researcher" means a person licensed by the board to
25 produce, process, and possess cannabis for the purposes of conducting
26 research on cannabis and cannabis-derived drug products.

27 (10) "Cannabis retailer" means a person licensed by the board to
28 sell cannabis concentrates, useable cannabis, and cannabis-infused
29 products in a retail outlet.

30 (11) "Cannabis-infused products" means products that contain
31 cannabis or cannabis extracts, are intended for human use, are
32 derived from cannabis as defined in subsection (4) of this section,
33 and have a THC concentration no greater than (~~ten~~) 10 percent. The
34 term "cannabis-infused products" does not include either useable
35 cannabis or cannabis concentrates.

36 (12) "CBD concentration" has the meaning provided in RCW
37 69.51A.010.

38 (13) "CBD product" means any product containing or consisting of
39 cannabidiol.

1 (14) "Commission" means the pharmacy quality assurance
2 commission.

3 (15) "Controlled substance" means a drug, substance, or immediate
4 precursor included in Schedules I through V as set forth in federal
5 or state laws, or federal or commission rules, but does not include
6 hemp or industrial hemp as defined in RCW 15.140.020.

7 (16)(a) "Controlled substance analog" means a substance the
8 chemical structure of which is substantially similar to the chemical
9 structure of a controlled substance in Schedule I or II and:

10 (i) that has a stimulant, depressant, or hallucinogenic effect on
11 the central nervous system substantially similar to the stimulant,
12 depressant, or hallucinogenic effect on the central nervous system of
13 a controlled substance included in Schedule I or II; or

14 (ii) with respect to a particular individual, that the individual
15 represents or intends to have a stimulant, depressant, or
16 hallucinogenic effect on the central nervous system substantially
17 similar to the stimulant, depressant, or hallucinogenic effect on the
18 central nervous system of a controlled substance included in Schedule
19 I or II.

20 (b) The term does not include:

21 (i) a controlled substance;

22 (ii) a substance for which there is an approved new drug
23 application;

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

29 (iv) any substance to the extent not intended for human
30 consumption before an exemption takes effect with respect to the
31 substance.

32 (17) "Deliver" or "delivery" means the actual or constructive
33 transfer from one person to another of a substance, whether or not
34 there is an agency relationship.

35 (18) "Department" means the department of health.

36 (19) "Designated provider" has the meaning provided in RCW
37 69.51A.010.

38 (20) "Dispense" means the interpretation of a prescription or
39 order for a controlled substance and, pursuant to that prescription
40 or order, the proper selection, measuring, compounding, labeling, or

1 packaging necessary to prepare that prescription or order for
2 delivery.

3 (21) "Dispenser" means a practitioner who dispenses.

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

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

7 (24) "Drug" means (a) a controlled substance recognized as a drug
8 in the official United States pharmacopoeia/national formulary or the
9 official homeopathic pharmacopoeia of the United States, or any
10 supplement to them; (b) controlled substances intended for use in the
11 diagnosis, cure, mitigation, treatment, or prevention of disease in
12 individuals or animals; (c) controlled substances (other than food)
13 intended to affect the structure or any function of the body of
14 individuals or animals; and (d) controlled substances intended for
15 use as a component of any article specified in (a), (b), or (c) of
16 this subsection. The term does not include devices or their
17 components, parts, or accessories.

18 (25) "Drug enforcement administration" means the drug enforcement
19 administration in the United States Department of Justice, or its
20 successor agency.

21 (26) "Electronic communication of prescription information" means
22 the transmission of a prescription or refill authorization for a drug
23 of a practitioner using computer systems. The term does not include a
24 prescription or refill authorization verbally transmitted by
25 telephone nor a facsimile manually signed by the practitioner.

26 (27) "Immature plant or clone" means a plant or clone that has no
27 flowers, is less than (~~twelve~~) 12 inches in height, and is less
28 than (~~twelve~~) 12 inches in diameter.

29 (28) "Immediate precursor" means a substance:

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

33 (b) that is an immediate chemical intermediary used or likely to
34 be used in the manufacture of a controlled substance; and

35 (c) the control of which is necessary to prevent, curtail, or
36 limit the manufacture of the controlled substance.

37 (29) "Isomer" means an optical isomer, but in subsection (33)(e)
38 of this section, RCW 69.50.204(1) (l) and (hh), and 69.50.206(2)(d),
39 the term includes any geometrical isomer; in RCW 69.50.204(1) (h) and
40 (pp) (~~r~~) and 69.50.210(3) (~~r~~), l the term includes any positional

1 isomer; and in RCW 69.50.204(1)(ii), 69.50.204(3), and 69.50.208(1)
2 (~~(f, g)~~), the term includes any positional or geometric isomer.

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

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

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

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

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

28 (33) "Narcotic drug" means any of the following, whether produced
29 directly or indirectly by extraction from substances of vegetable
30 origin, or independently by means of chemical synthesis, or by a
31 combination of extraction and chemical synthesis:

32 (a) Opium, opium derivative, and any derivative of opium or opium
33 derivative, including their salts, isomers, and salts of isomers,
34 whenever the existence of the salts, isomers, and salts of isomers is
35 possible within the specific chemical designation. The term does not
36 include the isoquinoline alkaloids of opium.

37 (b) Synthetic opiate and any derivative of synthetic opiate,
38 including their isomers, esters, ethers, salts, and salts of isomers,
39 esters, and ethers, whenever the existence of the isomers, esters,

1 ethers, and salts is possible within the specific chemical
2 designation.

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

4 (d) Coca leaves, except coca leaves and extracts of coca leaves
5 from which cocaine, ecgonine, and derivatives or ecgonine or their
6 salts have been removed.

7 (e) Cocaine, or any salt, isomer, or salt of isomer thereof.

8 (f) Cocaine base.

9 (g) Ecgonine, or any derivative, salt, isomer, or salt of isomer
10 thereof.

11 (h) Any compound, mixture, or preparation containing any quantity
12 of any substance referred to in (a) through (g) of this subsection.

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

22 (35) "Opium poppy" means the plant of the species *Papaver*
23 *somniferum* L., except its seeds.

24 (36) "Package" means a container that has a single unit or group
25 of units.

26 (37) "Person" means individual, corporation, business trust,
27 estate, trust, partnership, association, joint venture, government,
28 governmental subdivision or agency, or any other legal or commercial
29 entity.

30 (38) "Plant" has the meaning provided in RCW 69.51A.010.

31 (39) "Poppy straw" means all parts, except the seeds, of the
32 opium poppy, after mowing.

33 (40) "Practitioner" means:

34 (a) A physician under chapter 18.71 RCW; a physician assistant
35 under chapter 18.71A RCW; an osteopathic physician and surgeon under
36 chapter 18.57 RCW; an optometrist licensed under chapter 18.53 RCW
37 who is certified by the optometry board under RCW 18.53.010 subject
38 to any limitations in RCW 18.53.010; a dentist under chapter 18.32
39 RCW; a podiatric physician and surgeon under chapter 18.22 RCW; a
40 veterinarian under chapter 18.92 RCW; a registered nurse, advanced

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

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

14 (c) A physician licensed to practice medicine and surgery, a
15 physician licensed to practice osteopathic medicine and surgery, a
16 dentist licensed to practice dentistry, a podiatric physician and
17 surgeon licensed to practice podiatric medicine and surgery, a
18 licensed physician assistant or a licensed osteopathic physician
19 assistant specifically approved to prescribe controlled substances by
20 his or her state's medical commission or equivalent and his or her
21 participating physician as defined in RCW 18.71A.010, an advanced
22 registered nurse practitioner licensed to prescribe controlled
23 substances, or a veterinarian licensed to practice veterinary
24 medicine in any state of the United States.

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

29 (42) "Production" includes the manufacturing, planting,
30 cultivating, growing, or harvesting of a controlled substance.

31 (43) "Qualifying patient" has the meaning provided in RCW
32 69.51A.010.

33 (44) "Recognition card" has the meaning provided in RCW
34 69.51A.010.

35 (45) "Retail outlet" means a location licensed by the board for
36 the retail sale of cannabis concentrates, useable cannabis, and
37 cannabis-infused products.

38 (46) "Secretary" means the secretary of health or the secretary's
39 designee.

1 (47) "Social equity plan" means a plan that addresses at least
2 some of the elements outlined in this subsection (47), along with any
3 additional plan components or requirements approved by the board
4 following consultation with the task force created in RCW 69.50.336.
5 The plan may include:

6 (a) A statement that indicates how the cannabis licensee will
7 work to promote social equity goals in their community;

8 (b) A description of how the cannabis licensee will meet social
9 equity goals as defined in RCW 69.50.335;

10 (c) The composition of the workforce the licensee has employed or
11 intends to hire; and

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

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

19 (49) "THC concentration" means percent of tetrahydrocannabinol
20 content of any part of the plant *Cannabis*, or per volume or weight of
21 cannabis product, or the combined percent of tetrahydrocannabinol and
22 tetrahydrocannabinolic acid in any part of the plant *Cannabis*
23 regardless of moisture content.

24 (50) "Ultimate user" means an individual who lawfully possesses a
25 controlled substance for the individual's own use or for the use of a
26 member of the individual's household or for administering to an
27 animal owned by the individual or by a member of the individual's
28 household.

29 (51) "Unit" means an individual consumable item within a package
30 of one or more consumable items in solid, liquid, gas, or any form
31 intended for human consumption.

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

35 (53) "Youth access" means the level of interest persons under the
36 age of (~~twenty-one~~) 21 may have in a vapor product, as well as the
37 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 **Sec. 9.** RCW 69.50.101 and 2025 c 58 s 5126 are each amended to
2 read as follows:

3 The definitions in this section apply throughout this chapter
4 unless the context clearly requires otherwise.

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

8 (a) a practitioner authorized to prescribe (or, by the
9 practitioner's authorized agent); or

10 (b) the patient or research subject at the direction and in the
11 presence of the practitioner.

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

16 (3) "Board" means the Washington state liquor and cannabis board.

17 (4) "Cannabis" means all parts of the plant *Cannabis*, whether
18 growing or not, with a THC concentration greater than 0.3 percent on
19 a dry weight basis during the growing cycle through harvest and
20 usable cannabis. "Cannabis" does not include hemp or industrial hemp
21 as defined in RCW 15.140.020, or seeds used for licensed hemp
22 production under chapter 15.140 RCW.

23 (5) "Cannabis concentrates" means products consisting wholly or
24 in part of the resin extracted from any part of the plant *Cannabis*
25 and having a THC concentration greater than ~~((ten))~~ 10 percent.

26 (6) "Cannabis processor" means a person licensed by the board to
27 process cannabis into cannabis concentrates, useable cannabis, and
28 cannabis-infused products, package and label cannabis concentrates,
29 useable cannabis, and cannabis-infused products for sale in retail
30 outlets, and sell cannabis concentrates, useable cannabis, and
31 cannabis-infused products at wholesale to cannabis retailers.

32 (7) "Cannabis producer" means a person licensed by the board to
33 produce and sell cannabis at wholesale to cannabis processors and
34 other cannabis producers.

35 (8)(a) "Cannabis products" means useable cannabis, cannabis
36 concentrates, and cannabis-infused products as defined in this
37 section, including any product intended to be consumed or absorbed
38 inside the body by any means including inhalation, ingestion, or
39 insertion, with ~~((any detectable amount of THC))~~ a total THC
40 concentration of more than 0.3 percent on a dry weight basis.

1 (b) "Cannabis products" also means any product containing only
2 THC content.

3 (c) "Cannabis products" does not include cannabis health and
4 beauty aids as defined in RCW 69.50.575 or products approved by the
5 United States food and drug administration.

6 (9) "Cannabis researcher" means a person licensed by the board to
7 produce, process, and possess cannabis for the purposes of conducting
8 research on cannabis and cannabis-derived drug products.

9 (10) "Cannabis retailer" means a person licensed by the board to
10 sell cannabis concentrates, useable cannabis, and cannabis-infused
11 products in a retail outlet.

12 (11) "Cannabis-infused products" means products that contain
13 cannabis or cannabis extracts, are intended for human use, are
14 derived from cannabis as defined in subsection (4) of this section,
15 and have a THC concentration no greater than (~~ten~~) 10 percent. The
16 term "cannabis-infused products" does not include either useable
17 cannabis or cannabis concentrates.

18 (12) "CBD concentration" has the meaning provided in RCW
19 69.51A.010.

20 (13) "CBD product" means any product containing or consisting of
21 cannabidiol.

22 (14) "Commission" means the pharmacy quality assurance
23 commission.

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

28 (16)(a) "Controlled substance analog" means a substance the
29 chemical structure of which is substantially similar to the chemical
30 structure of a controlled substance in Schedule I or II and:
31 (i) that has a stimulant, depressant, or hallucinogenic effect on
32 the central nervous system substantially similar to the stimulant,
33 depressant, or hallucinogenic effect on the central nervous system of
34 a controlled substance included in Schedule I or II; or
35 (ii) with respect to a particular individual, that the individual
36 represents or intends to have a stimulant, depressant, or
37 hallucinogenic effect on the central nervous system substantially
38 similar to the stimulant, depressant, or hallucinogenic effect on the
39 central nervous system of a controlled substance included in Schedule
40 I or II.

1 (b) The term does not include:
2 (i) a controlled substance;
3 (ii) a substance for which there is an approved new drug
4 application;
5 (iii) a substance with respect to which an exemption is in effect
6 for investigational use by a particular person under Section 505 of
7 the federal food, drug, and cosmetic act, 21 U.S.C. Sec. 355, or
8 chapter 69.77 RCW to the extent conduct with respect to the substance
9 is pursuant to the exemption; or
10 (iv) any substance to the extent not intended for human
11 consumption before an exemption takes effect with respect to the
12 substance.
13 (17) "Deliver" or "delivery" means the actual or constructive
14 transfer from one person to another of a substance, whether or not
15 there is an agency relationship.
16 (18) "Department" means the department of health.
17 (19) "Designated provider" has the meaning provided in RCW
18 69.51A.010.
19 (20) "Dispense" means the interpretation of a prescription or
20 order for a controlled substance and, pursuant to that prescription
21 or order, the proper selection, measuring, compounding, labeling, or
22 packaging necessary to prepare that prescription or order for
23 delivery.
24 (21) "Dispenser" means a practitioner who dispenses.
25 (22) "Distribute" means to deliver other than by administering or
26 dispensing a controlled substance.
27 (23) "Distributor" means a person who distributes.
28 (24) "Drug" means (a) a controlled substance recognized as a drug
29 in the official United States pharmacopoeia/national formulary or the
30 official homeopathic pharmacopoeia of the United States, or any
31 supplement to them; (b) controlled substances intended for use in the
32 diagnosis, cure, mitigation, treatment, or prevention of disease in
33 individuals or animals; (c) controlled substances (other than food)
34 intended to affect the structure or any function of the body of
35 individuals or animals; and (d) controlled substances intended for
36 use as a component of any article specified in (a), (b), or (c) of
37 this subsection. The term does not include devices or their
38 components, parts, or accessories.

1 (25) "Drug enforcement administration" means the drug enforcement
2 administration in the United States Department of Justice, or its
3 successor agency.

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

9 (27) "Immature plant or clone" means a plant or clone that has no
10 flowers, is less than (~~twelve~~) 12 inches in height, and is less
11 than (~~twelve~~) 12 inches in diameter.

12 (28) "Immediate precursor" means a substance:

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

16 (b) that is an immediate chemical intermediary used or likely to
17 be used in the manufacture of a controlled substance; and

18 (c) the control of which is necessary to prevent, curtail, or
19 limit the manufacture of the controlled substance.

20 (29) "Isomer" means an optical isomer, but in subsection (33)(e)
21 of this section, RCW 69.50.204(1) (l) and (hh), and 69.50.206(2) (d),
22 the term includes any geometrical isomer; in RCW 69.50.204(1) (h) and
23 (pp) and 69.50.210(3), the term includes any positional isomer; and
24 in RCW 69.50.204(1)(ii), 69.50.204(3), and 69.50.208(1), the term
25 includes any positional or geometric isomer.

26 (30) "Lot" means a definite quantity of cannabis, cannabis
27 concentrates, useable cannabis, or cannabis-infused product
28 identified by a lot number, every portion or package of which is
29 uniform within recognized tolerances for the factors that appear in
30 the labeling.

31 (31) "Lot number" must identify the licensee by business or trade
32 name and Washington state unified business identifier number, and the
33 date of harvest or processing for each lot of cannabis, cannabis
34 concentrates, useable cannabis, or cannabis-infused product.

35 (32) "Manufacture" means the production, preparation,
36 propagation, compounding, conversion, or processing of a controlled
37 substance, either directly or indirectly or by extraction from
38 substances of natural origin, or independently by means of chemical
39 synthesis, or by a combination of extraction and chemical synthesis,
40 and includes any packaging or repackaging of the substance or

1 labeling or relabeling of its container. The term does not include
2 the preparation, compounding, packaging, repackaging, labeling, or
3 relabeling of a controlled substance:

4 (a) by a practitioner as an incident to the practitioner's
5 administering or dispensing of a controlled substance in the course
6 of the practitioner's professional practice; or

7 (b) by a practitioner, or by the practitioner's authorized agent
8 under the practitioner's supervision, for the purpose of, or as an
9 incident to, research, teaching, or chemical analysis and not for
10 sale.

11 (33) "Narcotic drug" means any of the following, whether produced
12 directly or indirectly by extraction from substances of vegetable
13 origin, or independently by means of chemical synthesis, or by a
14 combination of extraction and chemical synthesis:

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

20 (b) Synthetic opiate and any derivative of synthetic opiate,
21 including their isomers, esters, ethers, salts, and salts of isomers,
22 esters, and ethers, whenever the existence of the isomers, esters,
23 ethers, and salts is possible within the specific chemical
24 designation.

25 (c) Poppy straw and concentrate of poppy straw.

26 (d) Coca leaves, except coca leaves and extracts of coca leaves
27 from which cocaine, ecgonine, and derivatives or ecgonine or their
28 salts have been removed.

29 (e) Cocaine, or any salt, isomer, or salt of isomer thereof.

30 (f) Cocaine base.

31 (g) Ecgonine, or any derivative, salt, isomer, or salt of isomer
32 thereof.

33 (h) Any compound, mixture, or preparation containing any quantity
34 of any substance referred to in (a) through (g) of this subsection.

35 (34) "Opiate" means any substance having an addiction-forming or
36 addiction-sustaining liability similar to morphine or being capable
37 of conversion into a drug having addiction-forming or addiction-
38 sustaining liability. The term includes opium, substances derived
39 from opium (opium derivatives), and synthetic opiates. The term does
40 not include, unless specifically designated as controlled under RCW

1 69.50.201, the dextrorotatory isomer of 3-methoxy-n-methylmorphinan
2 and its salts (dextromethorphan). The term includes the racemic and
3 levorotatory forms of dextromethorphan.

4 (35) "Opium poppy" means the plant of the species *Papaver*
5 *somniferum* L., except its seeds.

6 (36) "Package" means a container that has a single unit or group
7 of units.

8 (37) "Person" means individual, corporation, business trust,
9 estate, trust, partnership, association, joint venture, government,
10 governmental subdivision or agency, or any other legal or commercial
11 entity.

12 (38) "Plant" has the meaning provided in RCW 69.51A.010.

13 (39) "Poppy straw" means all parts, except the seeds, of the
14 opium poppy, after mowing.

15 (40) "Practitioner" means:

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

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

36 (c) A physician licensed to practice medicine and surgery, a
37 physician licensed to practice osteopathic medicine and surgery, a
38 dentist licensed to practice dentistry, a podiatric physician and
39 surgeon licensed to practice podiatric medicine and surgery, a
40 licensed physician assistant or a licensed osteopathic physician

1 assistant specifically approved to prescribe controlled substances by
2 his or her state's medical commission or equivalent and his or her
3 participating physician as defined in RCW 18.71A.010, an advanced
4 practice registered nurse licensed to prescribe controlled
5 substances, or a veterinarian licensed to practice veterinary
6 medicine in any state of the United States.

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

11 (42) "Production" includes the manufacturing, planting,
12 cultivating, growing, or harvesting of a controlled substance.

13 (43) "Qualifying patient" has the meaning provided in RCW
14 69.51A.010.

15 (44) "Recognition card" has the meaning provided in RCW
16 69.51A.010.

17 (45) "Retail outlet" means a location licensed by the board for
18 the retail sale of cannabis concentrates, useable cannabis, and
19 cannabis-infused products.

20 (46) "Secretary" means the secretary of health or the secretary's
21 designee.

22 (47) "Social equity plan" means a plan that addresses at least
23 some of the elements outlined in this subsection (47), along with any
24 additional plan components or requirements approved by the board
25 following consultation with the task force created in RCW 69.50.336.
26 The plan may include:

27 (a) A statement that indicates how the cannabis licensee will
28 work to promote social equity goals in their community;

29 (b) A description of how the cannabis licensee will meet social
30 equity goals as defined in RCW 69.50.335;

31 (c) The composition of the workforce the licensee has employed or
32 intends to hire; and

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

36 (48) "State," unless the context otherwise requires, means a
37 state of the United States, the District of Columbia, the
38 Commonwealth of Puerto Rico, or a territory or insular possession
39 subject to the jurisdiction of the United States.

1 (49) "THC concentration" means percent of tetrahydrocannabinol
2 content of any part of the plant *Cannabis*, or per volume or weight of
3 cannabis product, or the combined percent of tetrahydrocannabinol and
4 tetrahydrocannabinolic acid in any part of the plant *Cannabis*
5 regardless of moisture content.

6 (50) "Ultimate user" means an individual who lawfully possesses a
7 controlled substance for the individual's own use or for the use of a
8 member of the individual's household or for administering to an
9 animal owned by the individual or by a member of the individual's
10 household.

11 (51) "Unit" means an individual consumable item within a package
12 of one or more consumable items in solid, liquid, gas, or any form
13 intended for human consumption.

14 (52) "Useable cannabis" means dried cannabis flowers. The term
15 "useable cannabis" does not include either cannabis-infused products
16 or cannabis concentrates.

17 (53) "Youth access" means the level of interest persons under the
18 age of (~~twenty-one~~) 21 may have in a vapor product, as well as the
19 degree to which the product is available or appealing to such
20 persons, and the likelihood of initiation, use, or addiction by
21 adolescents and young adults.

22 **Sec. 10.** RCW 69.50.325 and 2025 c 250 s 1 are each amended to
23 read as follows:

24 (1) There shall be a cannabis producer's license regulated by the
25 board and subject to annual renewal. The licensee is authorized to
26 produce: (a) Cannabis for sale at wholesale to cannabis processors
27 and other cannabis producers; (b) immature plants or clones and seeds
28 for sale to cooperatives as described under RCW 69.51A.250; and (c)
29 immature plants or clones and seeds for sale to qualifying patients
30 and designated providers as provided under RCW 69.51A.310. The
31 production, possession, delivery, distribution, and sale of cannabis
32 in accordance with the provisions of this chapter and the rules
33 adopted to implement and enforce it, by a validly licensed cannabis
34 producer, shall not be a criminal or civil offense under Washington
35 state law. Every cannabis producer's license shall be issued in the
36 name of the applicant, shall specify the location at which the
37 cannabis producer intends to operate, which must be within the state
38 of Washington, and the holder thereof shall not allow any other
39 person to use the license. The application fee for a cannabis

1 producer's license shall be (~~two hundred fifty dollars~~) \$250. The
2 annual fee for issuance and renewal of a cannabis producer's license
3 shall be (~~one thousand three hundred eighty one dollars~~) \$1,381. A
4 separate license shall be required for each location at which a
5 cannabis producer intends to produce cannabis.

6 (2) There shall be a cannabis processor's license to process,
7 package, and label cannabis concentrates, useable cannabis, and
8 cannabis-infused products for sale at wholesale to cannabis
9 processors and cannabis retailers, and to manufacture, package, and
10 label hemp consumables and hemp-derived cannabinoid products, both as
11 defined in RCW 15.140.020 and in accordance with section 4 of this
12 act, regulated by the board and subject to annual renewal. The
13 processing, packaging, possession, delivery, distribution, and sale
14 of cannabis, useable cannabis, cannabis-infused products, and
15 cannabis concentrates in accordance with the provisions of this
16 chapter and chapter 69.51A RCW and the rules adopted to implement and
17 enforce these chapters, by a validly licensed cannabis processor,
18 shall not be a criminal or civil offense under Washington state law.
19 Every cannabis processor's license shall be issued in the name of the
20 applicant, shall specify the location at which the licensee intends
21 to operate, which must be within the state of Washington, and the
22 holder thereof shall not allow any other person to use the license.
23 The application fee for a cannabis processor's license shall be (~~two~~
24 ~~hundred fifty dollars~~) \$250. The annual fee for issuance and renewal
25 of a cannabis processor's license shall be (~~one thousand three~~
26 ~~hundred eighty one dollars~~) \$1,381. A separate license shall be
27 required for each location at which a cannabis processor intends to
28 process cannabis.

29 (3)(a) There shall be a cannabis retailer's license to sell
30 cannabis concentrates, useable cannabis, and cannabis-infused
31 products at retail in retail outlets, regulated by the board and
32 subject to annual renewal. The possession, delivery, distribution,
33 and sale of cannabis concentrates, useable cannabis, and cannabis-
34 infused products in accordance with the provisions of this chapter
35 and the rules adopted to implement and enforce it, by a validly
36 licensed cannabis retailer, shall not be a criminal or civil offense
37 under Washington state law. Every cannabis retailer's license shall
38 be issued in the name of the applicant, shall specify the location of
39 the retail outlet the licensee intends to operate, which must be
40 within the state of Washington, and the holder thereof shall not

1 allow any other person to use the license. The application fee for a
2 cannabis retailer's license shall be (~~two hundred fifty dollars~~)
3 \$250. The annual fee for issuance and renewal of a cannabis
4 retailer's license shall be (~~one thousand three hundred eighty one~~
5 ~~dollars~~) \$1,381. A separate license shall be required for each
6 location at which a cannabis retailer intends to sell cannabis
7 concentrates, useable cannabis, and cannabis-infused products.

8 (b) (i) An individual retail licensee and all other persons or
9 entities with a financial or other ownership interest in the business
10 operating under the license are limited, in the aggregate, to holding
11 a collective total of not more than five retail cannabis licenses.

12 (ii) A retail licensee and all other persons or entities with a
13 financial or other ownership interest may not enter into any
14 management agreement under RCW 69.50.331(1)(b)(iv) or any agreement
15 as referenced in RCW 69.50.395, whether or not in exchange for
16 payment, that confers a financial interest across more than five
17 retail cannabis licenses. For the purposes of this subsection,
18 "financial interest" includes, but is not limited to:

19 (A) Any sharing of profits or revenue;

20 (B) Any assistance, coordination, or recommendation for the
21 purchase of cannabis products whereupon pricing is coordinated or
22 discounted;

23 (C) The common use of intellectual property assets such as
24 branding, trade names, logos, social media accounts, or websites;

25 (D) Any operational control over the business or operational
26 support for typical day-to-day business operations, including core
27 business or executive functions of the retail cannabis license;

28 (E) Any sharing or coordination of marketing and advertising
29 efforts or expenses; and

30 (F) Any coordinated sharing of employment or hiring decisions,
31 including the shared employment of individuals.

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

34 (ii) The board shall adopt rules to establish a license
35 forfeiture process for a licensed cannabis retailer that is not fully
36 operational and open to the public within a specified period from the
37 date of license issuance, as established by the board, subject to the
38 following restrictions:

39 (A) No cannabis retailer's license may be subject to forfeiture
40 within the first nine months of license issuance; and

1 (B) The board must require license forfeiture on or before
2 twenty-four calendar months of license issuance if a cannabis
3 retailer is not fully operational and open to the public, unless the
4 board determines that circumstances out of the licensee's control are
5 preventing the licensee from becoming fully operational and that, in
6 the board's discretion, the circumstances warrant extending the
7 forfeiture period beyond (~~twenty-four~~) 24 calendar months.

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

10 (iv) This subsection (3)(c) applies to cannabis retailer's
11 licenses issued before and after July 23, 2017. However, no license
12 of a cannabis retailer that otherwise meets the conditions for
13 license forfeiture established pursuant to this subsection (3)(c) may
14 be subject to forfeiture within the first nine calendar months of
15 July 23, 2017.

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

20 (A) The adoption of a ban or moratorium that prohibits the
21 opening of a retail cannabis business; or

22 (B) The adoption of an ordinance or regulation related to zoning,
23 business licensing, land use, or other regulatory measure that has
24 the effect of preventing a licensee from receiving an occupancy
25 permit from the jurisdiction or which otherwise prevents a licensed
26 cannabis retailer from becoming operational.

27 (d) The board may issue cannabis retailer licenses pursuant to
28 this chapter and RCW 69.50.335.

29 NEW SECTION. **Sec. 11.** Section 5 of this act is necessary for
30 the immediate preservation of the public peace, health, or safety, or
31 support of the state government and its existing public institutions,
32 and takes effect immediately.

33 NEW SECTION. **Sec. 12.** (1) Sections 1 through 4, 6 through 8,
34 and 10 of this act take effect July 1, 2026.

35 (2) Section 9 of this act takes effect June 30, 2027.

1 NEW SECTION. **Sec. 13.** Section 8 of this act expires June 30,
2 2027.

--- END ---