

ESSB 6542 - H AMD 973

By Representative Carlyle

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that voter approval
4 of Initiative Measure No. 502 established a system for licensing and
5 regulating cannabis production, processing, and sale. The legislature
6 further finds that this new industry is projected to create new jobs
7 and generate revenues to the state estimated as high as \$1,943,936,000
8 over five fiscal years. The legislature also finds that qualifying
9 patients have additional protections under chapter 69.51A RCW. The
10 legislature further finds there is potential interest to expand into
11 other areas, such as industrial hemp, food processing, farmers'
12 markets, and banking. As such, given a potentially evolving demand and
13 market in new areas, it is the intent of the legislature to create a
14 state cannabis industry coordinating committee to promote and further
15 develop the industry while remaining in compliance with federal
16 guidelines. It is the intention of the legislature that the committee
17 will coordinate and monitor new developments and their impact on
18 Washington state, and to make recommendations to the legislature on
19 establishment of a state comprehensive plan.

20 The legislature also finds that, while the state liquor control
21 board is working to implement the regulatory structure enacted by
22 Initiative Measure No. 502, additional issues need to be addressed.
23 The use of medical marijuana outside of this regulatory structure, the
24 process for medical authorizations, the establishment of medical
25 dispensaries, and other related issues should be addressed by a
26 statewide committee that would submit its policy recommendations for
27 consideration by the 2015 legislature.

28 NEW SECTION. **Sec. 2.** (1) A state cannabis industry coordinating
29 committee is established, with members as provided in this subsection.

1 (a) The president of the senate shall appoint one member from each
2 of the two largest caucuses of the senate.

3 (b) The speaker of the house of representatives shall appoint one
4 member from each of the two largest caucuses of the house of
5 representatives.

6 (c) Each of the following agencies shall appoint a representative
7 to serve on the committee:

8 (i) The liquor control board;

9 (ii) The department of health;

10 (iii) The department of revenue;

11 (iv) The department of agriculture; and

12 (v) The department of financial institutions.

13 (d) The governor shall appoint three members representing medical
14 marijuana stakeholders as follows:

15 (i) Two qualifying patients or advocates; and

16 (ii) A marijuana licensee.

17 (e) One representative each from the association of Washington
18 cities and the Washington state association of counties.

19 (f) The governor may appoint up to five industry stakeholders
20 representing established and emerging markets for the use of cannabis
21 including, but not limited to, the various commercial uses of
22 industrial hemp, food processing, farmers' markets, tourism, banking,
23 or other uses that may be relevant.

24 (2) The committee must appoint its cochairs, at least one of whom
25 must be from among its legislative membership. The committee shall
26 make rules for orderly procedure and appoint the subcommittee required
27 in subsection (3) of this section.

28 (3) The committee shall appoint a medical marijuana subcommittee,
29 which must be chaired by a legislative member of the committee, for the
30 purpose of reviewing and making recommendations on the issues in (a)
31 through (g) of this subsection. The subcommittee may consult with
32 other entities as the subcommittee deems appropriate.

33 (a) Whether there is a need for retail outlets that are licensed to
34 only sell medical marijuana to qualifying patients or designated
35 providers;

36 (b) Whether the use of valid documentation should be permitted as
37 an alternative to registering with the medical marijuana registry;

1 (c) Whether a marijuana producer or marijuana processor endorsement
2 should be established to permit a producer or processor to sell
3 directly to qualifying patients and designated providers and whether
4 these licensees are producing marijuana concentrates, useable
5 marijuana, and marijuana-infused products that are meeting the needs of
6 medical marijuana patients;

7 (d) Whether posttraumatic stress disorder should be added to
8 terminal or debilitating medical conditions that qualify a person for
9 the medical use of marijuana;

10 (e) Whether a different method of taxation should be established
11 for those products designated by the liquor control board as being
12 beneficial for qualifying patients and designated providers. This
13 includes whether these products should be taxed at a different rate
14 than products intended for nonmedical use or whether they should be
15 provided with tax exemptions;

16 (f) Whether and how qualifying patients or designated providers
17 should be authorized to form a cooperative to share responsibility for
18 acquiring and supplying the resources needed to produce and process
19 marijuana solely for the medical use of members of the cooperative or
20 for medical research; and

21 (g) Any other matters the committee determines are pertinent to
22 promoting access to safe and affordable marijuana for medical use by
23 qualifying patients.

24 (4) The committee has the following powers and duties:

25 (a) Developing a state comprehensive plan that identifies and
26 coordinates the various business and economic opportunities within the
27 cannabis industry, including potential opportunities;

28 (b) Recommending a state financial system that best implements the
29 state's marijuana marketplace while maximizing public safety, accurate
30 tax accounting, and compliance with the United States attorney
31 general's guidance regarding marijuana enforcement and guidance
32 regarding marijuana-related financial crimes on implementation of
33 Initiative Measure No. 502;

34 (c) Making recommendations for a statewide cannabis industry
35 coordinator;

36 (d) Making recommendations on options for the distribution of tax
37 revenue from the sale of marijuana; and

1 (e) Making recommendations specific to the medical use of marijuana
2 as described in subsection (3) of this section.

3 (5) The committee shall provide specific preliminary
4 recommendations to the appropriate committees of the legislature by
5 December 15, 2014, and a final report by January 10, 2016.

6 (6) Staff support for the committee must be provided by senate
7 committee services, the house of representatives office of program
8 research, and the represented state agencies.

9 (7) Legislative members of the committee must serve without
10 additional compensation, but must be reimbursed for travel expenses in
11 accordance with RCW 44.04.120. Nonlegislative members, except those
12 representing an employer or organization, are entitled to be reimbursed
13 for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

14 (8) The expenses of the committee must be paid jointly by the
15 senate and the house of representatives. Committee expenditures are
16 subject to approval by the senate facilities and operations committee
17 and the house of representatives executive rules committee, or their
18 successor committees.

19 (9) This section expires January 31, 2016."

20 Correct the title.

EFFECT: (1) Membership: Eliminates from membership
representatives of the Department of Commerce and the Office of the
Treasurer, and requires each remaining agency appoint its own
representative instead of the governor. Eliminates from membership
health care professionals, and medical marijuana producers, processors,
and retailers, which are replaced by one marijuana licensee. Permits
the governor to appoint five industry stakeholders instead of nine.

(2) Medical marijuana subcommittee: Requires that medical
marijuana subcommittee be chaired by a legislator and allows the
subcommittee to consult with other entities as appropriate. Strikes
from consideration the siting of medical marijuana retailers. Adds to
consideration medical marijuana cooperatives.

(3) Issues for consideration: Strikes monitoring of economic
returns and changes to federal law from the issues for consideration.

(4) Support staff: Adds governor's office to available support
staff and strikes staff of represented agencies.

(5) Technical changes: Strikes verbiage stating the application of
the Open Public Meetings Act and the authority to form subcommittees.

--- END ---