

SSB 6542 - S AMD 670

By Senators Kohl-Welles, Rivers

ADOPTED 03/08/2014

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) The governor shall appoint members representing the following
7 state agencies:

8 (i) The liquor control board;

9 (ii) The department of health;

10 (iii) The department of commerce;

11 (iv) The department of revenue;

12 (v) The office of the treasurer;

13 (vi) The department of agriculture; and

14 (vii) The department of financial institutions.

15 (d) The governor shall appoint seven members representing medical
16 marijuana patients as follows:

17 (i) A health care professional with experience authorizing
18 qualifying patients for the medical use of marijuana;

19 (ii) Two qualifying patients or their designated providers;

20 (iii) A medical marijuana advocate;

21 (iv) A medical marijuana producer;

22 (v) A medical marijuana processor; and

23 (vi) A medical marijuana retailer or a person with experience
24 providing marijuana to or consulting with qualifying patients.

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

27 (f) The governor shall appoint up to nine industry stakeholders
28 representing established and emerging markets for the use of cannabis
29 including, but not limited to, the various commercial uses of
30 industrial hemp, food processing, farmers' markets, tourism, banking,
31 and other uses that may be relevant.

32 (2) The committee must appoint its cochairs, one of which shall be
33 from among its legislative membership. The committee shall make rules
34 for orderly procedure and, in addition to the subcommittee required in
35 subsection (3) of this section, the committee may form subcommittees to
36 accomplish its work.

37 (3) The committee shall appoint a medical marijuana subcommittee

1 for the purpose of reviewing and making recommendations on the
2 following issues:

3 (a) Whether RCW 69.50.331(8) prevents the siting of marijuana
4 retailers who hold medical marijuana endorsements and what may be done
5 to assist the state and local governments in siting these retail
6 outlets;

7 (b) Whether there is a need for retail outlets that are licensed to
8 only sell medical marijuana to qualifying patients or designated
9 providers;

10 (c) Whether the use of valid documentation should be permitted as
11 an alternative to registering with the medical marijuana registry;

12 (d) Whether a marijuana producer or marijuana processor endorsement
13 should be established to permit a producer or processor to sell
14 directly to qualifying patients and designated providers and whether
15 these licensees are producing marijuana concentrates, useable
16 marijuana, and marijuana-infused products that are meeting the needs of
17 medical marijuana patients;

18 (e) Whether posttraumatic stress disorder should be added to
19 terminal or debilitating medical conditions that qualify a person for
20 the medical use of marijuana;

21 (f) Whether a different method of taxation should be established
22 for those products designated by the liquor control board as being
23 beneficial for qualifying patients and designated providers. This
24 includes whether these products should be taxed at a different rate
25 than products intended for nonmedical use or whether they should be
26 provided with tax exemptions;

27 (g) Options for funding the medical marijuana registry; and

28 (h) Any other matters pertinent to promoting access to safe and
29 affordable marijuana for medical use by qualifying patients.

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

31 (a) Developing a state comprehensive plan that identifies and
32 coordinates the various business opportunities within the cannabis
33 industry, including potential opportunities;

34 (b) Recommending a state financial system that best implements the
35 state's marijuana marketplace while maximizing public safety, accurate
36 tax accounting, and compliance with the United States attorney
37 general's guidance regarding marijuana enforcement and guidance

1 regarding marijuana-related financial crimes on implementation of
2 Initiative Measure No. 502;

3 (c) Developing a method for monitoring and assessing the economic
4 returns the cannabis industry delivers to the state;

5 (d) Examining and reporting on any changes in federal law that may
6 impact the legal operations of the cannabis industry in the state;

7 (e) Making recommendations for a statewide cannabis industry
8 coordinator;

9 (f) Recommending options for the distribution of tax revenue from
10 the sale of marijuana; and

11 (g) Making recommendations specific to the medical use of marijuana
12 as described in subsection (3) of this section.

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

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

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

24 (8) The expenses of the committee must be paid jointly by the
25 senate and the house of representatives. Committee expenditures are
26 subject to approval by the senate facilities and operations committee
27 and the house of representatives executive rules committee, or their
28 successor committees.

29 (9) Meetings of the committee are subject to the open public
30 meetings act, chapter 42.30 RCW.

31 (10) This section expires January 31, 2016."

ADOPTED 03/08/2014

1 On page 1, line 2 of the title, after "committee;" strike the
2 remainder of the title and insert "creating new sections; and providing
3 an expiration date."

EFFECT: Expands membership of the cannabis coordinating committee (CCC).

Requires the CCC to make recommendations regarding a state financial system that best implements the state's marijuana marketplace.

Directs the CCC to establish a subcommittee on medical marijuana to review and make recommendations on specific issues relating to MMJ and patients.

Authorizes the CCC to establish other subcommittees to accomplish its work.

Requires one of the cochairs of the CCC to be selected from the legislative membership.

Requires a first report to the legislature December 15, 2014, and a final report January 10, 2016.

Makes meeting of the CCC subject to the open public meetings act.

Expires the CCC and all subcommittees January 31, 2016.

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