
HOUSE BILL 1991

State of Washington

63rd Legislature

2013 Regular Session

By Representative Kretz

Read first time 03/07/13. Referred to Committee on Government
Accountability & Oversight.

1 AN ACT Relating to encouraging the liquor control board to
2 implement rules to promote the development of marijuana production
3 facilities located on unenclosed, outdoor agricultural land in rural
4 areas; and amending RCW 69.50.325 and 69.50.345.

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

6 **Sec. 1.** RCW 69.50.325 and 2013 c 3 s 4 (Initiative Measure No.
7 502) are each amended to read as follows:

8 (1)(a) There shall be a marijuana producer's license to produce
9 marijuana for sale at wholesale to marijuana processors and other
10 marijuana producers, regulated by the state liquor control board and
11 subject to annual renewal. The production, possession, delivery,
12 distribution, and sale of marijuana in accordance with the provisions
13 of chapter 3, Laws of 2013 and the rules adopted to implement and
14 enforce it, by a validly licensed marijuana producer, shall not be a
15 criminal or civil offense under Washington state law. Every marijuana
16 producer's license shall be issued in the name of the applicant, shall
17 specify the location at which the marijuana producer intends to
18 operate, which must be within the state of Washington, and the holder
19 thereof shall not allow any other person to use the license. The

1 application fee for a marijuana producer's license shall be two hundred
2 fifty dollars. The annual fee for issuance and renewal of a marijuana
3 producer's license shall be one thousand dollars. A separate license
4 shall be required for each location at which a marijuana producer
5 intends to produce marijuana.

6 (b) In adopting rules regulating the licensing of marijuana
7 producers, the state liquor control board is encouraged to structure
8 its regulatory scheme so as to give strong preference to the licensing
9 of those proposed or existing marijuana production operations located
10 in rural areas on unenclosed, outdoor agricultural lands, as opposed to
11 indoor growing operations such as greenhouses, warehouses, or other
12 constructed, industrial style growing facilities. The implementation
13 of a regulatory scheme that promotes the development of marijuana
14 production operations located on unenclosed, outdoor agricultural lands
15 will yield environmental, social, and economic benefits, including
16 greatly reduced energy consumption, the reduction of adverse
17 environmental impacts likely to result from indoor, industrial style
18 growing operations, and the creation of new and promising economic
19 opportunities for small farmers in this state.

20 (c) In order to provide an incentive for the production of
21 marijuana in rural areas on unenclosed, outdoor agricultural lands, as
22 set forth in (b) of this subsection, the state liquor control board is
23 encouraged to adopt rules authorizing the inclusion of labeling on
24 retail packaging certifying that the marijuana was produced on such
25 outdoor agricultural lands. The state liquor control board is
26 authorized to issue the rules necessary for such certification, as well
27 as the design and textual content of the certification labeling.

28 (2) There shall be a marijuana processor's license to process,
29 package, and label useable marijuana and marijuana-infused products for
30 sale at wholesale to marijuana retailers, regulated by the state liquor
31 control board and subject to annual renewal. The processing,
32 packaging, possession, delivery, distribution, and sale of marijuana,
33 useable marijuana, and marijuana-infused products in accordance with
34 the provisions of chapter 3, Laws of 2013 and the rules adopted to
35 implement and enforce it, by a validly licensed marijuana processor,
36 shall not be a criminal or civil offense under Washington state law.
37 Every marijuana processor's license shall be issued in the name of the
38 applicant, shall specify the location at which the licensee intends to

1 operate, which must be within the state of Washington, and the holder
2 thereof shall not allow any other person to use the license. The
3 application fee for a marijuana processor's license shall be two
4 hundred fifty dollars. The annual fee for issuance and renewal of a
5 marijuana processor's license shall be one thousand dollars. A
6 separate license shall be required for each location at which a
7 marijuana processor intends to process marijuana.

8 (3) There shall be a marijuana retailer's license to sell useable
9 marijuana and marijuana-infused products at retail in retail outlets,
10 regulated by the state liquor control board and subject to annual
11 renewal. The possession, delivery, distribution, and sale of useable
12 marijuana and marijuana-infused products in accordance with the
13 provisions of chapter 3, Laws of 2013 and the rules adopted to
14 implement and enforce it, by a validly licensed marijuana retailer,
15 shall not be a criminal or civil offense under Washington state law.
16 Every marijuana retailer's license shall be issued in the name of the
17 applicant, shall specify the location of the retail outlet the licensee
18 intends to operate, which must be within the state of Washington, and
19 the holder thereof shall not allow any other person to use the license.
20 The application fee for a marijuana retailer's license shall be two
21 hundred fifty dollars. The annual fee for issuance and renewal of a
22 marijuana retailer's license shall be one thousand dollars. A separate
23 license shall be required for each location at which a marijuana
24 retailer intends to sell useable marijuana and marijuana-infused
25 products.

26 **Sec. 2.** RCW 69.50.345 and 2013 c 3 s 10 (Initiative Measure No.
27 502) are each amended to read as follows:

28 The state liquor control board, subject to the provisions of
29 chapter 3, Laws of 2013, must adopt rules by December 1, 2013, that
30 establish the procedures and criteria necessary to implement the
31 following:

32 (1) Licensing of marijuana producers, marijuana processors, and
33 marijuana retailers, including prescribing forms and establishing
34 application, reinstatement, and renewal fees;

35 (2) Creating a regulatory scheme for marijuana producers that gives
36 strong preference to the licensing of those proposed or existing

1 marijuana production operations located in rural areas on unenclosed,
2 outdoor agricultural lands, as required under RCW 69.50.325(1)(b);

3 (3) Determining, in consultation with the office of financial
4 management, the maximum number of retail outlets that may be licensed
5 in each county, taking into consideration:

6 (a) Population distribution;

7 (b) Security and safety issues; and

8 (c) The provision of adequate access to licensed sources of useable
9 marijuana and marijuana-infused products to discourage purchases from
10 the illegal market;

11 ~~((+3))~~ (4) Determining the maximum quantity of marijuana a
12 marijuana producer may have on the premises of a licensed location at
13 any time without violating Washington state law;

14 ~~((+4))~~ (5) Determining the maximum quantities of marijuana,
15 useable marijuana, and marijuana-infused products a marijuana processor
16 may have on the premises of a licensed location at any time without
17 violating Washington state law;

18 ~~((+5))~~ (6) Determining the maximum quantities of useable marijuana
19 and marijuana-infused products a marijuana retailer may have on the
20 premises of a retail outlet at any time without violating Washington
21 state law;

22 ~~((+6))~~ (7) In making the determinations required by subsections
23 ~~((+3))~~ (4) through ~~((+5))~~ (6) of this section, the state liquor
24 control board shall take into consideration:

25 (a) Security and safety issues;

26 (b) The provision of adequate access to licensed sources of
27 marijuana, useable marijuana, and marijuana-infused products to
28 discourage purchases from the illegal market; and

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

32 ~~((+7))~~ (8) Determining the nature, form, and capacity of all
33 containers to be used by licensees to contain marijuana, useable
34 marijuana, and marijuana-infused products, and their labeling
35 requirements, to include but not be limited to:

36 (a) The business or trade name and Washington state unified
37 business identifier number of the licensees that grew, processed, and
38 sold the marijuana, useable marijuana, or marijuana-infused product;

1 (b) Lot numbers of the marijuana, useable marijuana, or marijuana-
2 infused product;

3 (c) THC concentration of the marijuana, useable marijuana, or
4 marijuana-infused product;

5 (d) Medically and scientifically accurate information about the
6 health and safety risks posed by marijuana use; and

7 (e) Language required by RCW 69.04.480;

8 ~~((+8))~~ (9) In consultation with the department of agriculture,
9 establishing classes of marijuana, useable marijuana, and marijuana-
10 infused products according to grade, condition, cannabinoid profile,
11 THC concentration, or other qualitative measurements deemed appropriate
12 by the state liquor control board;

13 ~~((+9))~~ (10) Establishing reasonable time, place, and manner
14 restrictions and requirements regarding advertising of marijuana,
15 useable marijuana, and marijuana-infused products that are not
16 inconsistent with the provisions of chapter 3, Laws of 2013, taking
17 into consideration:

18 (a) Federal laws relating to marijuana that are applicable within
19 Washington state;

20 (b) Minimizing exposure of people under twenty-one years of age to
21 the advertising; and

22 (c) The inclusion of medically and scientifically accurate
23 information about the health and safety risks posed by marijuana use in
24 the advertising;

25 ~~((+10))~~ (11) Specifying and regulating the time and periods when,
26 and the manner, methods, and means by which, licensees shall transport
27 and deliver marijuana, useable marijuana, and marijuana-infused
28 products within the state;

29 ~~((+11))~~ (12) In consultation with the department and the
30 department of agriculture, establishing accreditation requirements for
31 testing laboratories used by licensees to demonstrate compliance with
32 standards adopted by the state liquor control board, and prescribing
33 methods of producing, processing, and packaging marijuana, useable
34 marijuana, and marijuana-infused products; conditions of sanitation;
35 and standards of ingredients, quality, and identity of marijuana,
36 useable marijuana, and marijuana-infused products produced, processed,
37 packaged, or sold by licensees;

1 (~~(12)~~) (13) Specifying procedures for identifying, seizing,
2 confiscating, destroying, and donating to law enforcement for training
3 purposes all marijuana, useable marijuana, and marijuana-infused
4 products produced, processed, packaged, labeled, or offered for sale in
5 this state that do not conform in all respects to the standards
6 prescribed by chapter 3, Laws of 2013 or the rules of the state liquor
7 control board.

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