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- 1 Strike everything after the enacting clause and insert the 2 following:
- 3 "NEW SECTION. Sec. 1. A new section is added to chapter 43.06 4 RCW to read as follows:
- 5 The legislature intends to further the government-to-government relationship between the state of Washington and federally recognized 6 7 Indian tribes in the state of Washington by authorizing the governor to enter into agreements concerning the regulation of marijuana. Such 8 9 agreements may include provisions pertaining to: commercial production, processing, sale, and possession of marijuana 10 11 recreational and medical purposes; marijuana-related 12 research activities; law enforcement, both criminal and civil; and taxation. The legislature finds that these agreements will facilitate 13 14 and promote a cooperative and mutually beneficial relationship 15 between the state and the tribes regarding matters relating to the legalization of marijuana, particularly in light of the fact that 16 federal Indian law precludes the state from enforcing its civil 17 18 regulatory laws in Indian country. Such cooperative agreements will enhance public health and safety, ensure a lawful and well-regulated 19 20 marijuana market, encourage economic development, and provide fiscal benefits to both the tribes and the state. 21
- NEW SECTION. Sec. 2. A new section is added to chapter 43.06 23 RCW to read as follows:
 - (1) The governor may enter into agreements with federally recognized Indian tribes concerning marijuana. Marijuana agreements may address any marijuana-related issue that involves both state and tribal interests or otherwise has an impact on tribal-state relations. Such agreements may include, but are not limited to, the following provisions and subject matter:
 - (a) Criminal and civil law enforcement;
- 31 (b) Regulatory issues related to the commercial production, 32 processing, sale, and possession of marijuana, and processed 33 marijuana products, for both recreational and medical purposes;

(c) Medical and pharmaceutical research involving marijuana;

- (d) Taxation in accordance with subsection (2) of this section;
- 3 (e) Any tribal immunities or preemption of state law regarding 4 the production, processing, or marketing of marijuana; and
 - (f) Dispute resolution, including the use of mediation or other nonjudicial process.
 - (2) Each marijuana agreement adopted under this section must provide for a tribal marijuana tax that is at least one hundred percent of the state marijuana excise tax imposed under RCW 69.50.535 and state and local sales and use taxes on sales of marijuana. Marijuana agreements shall apply to sales in which Indian businesses make delivery and physical transfer of possession of the marijuana from the seller to the buyer within Indian country, and not to transactions by non-Indian businesses. The tribe may allow an exemption for sales to tribal members.
 - (3) Any marijuana agreement relating to the production, processing, and sale of marijuana in Indian country, whether for recreational or medical purposes, must address the following issues:
 - (a) Preservation of public health and safety;
- 20 (b) Ensuring the security of production, processing, retail, and research facilities; and
 - (c) Cross-border commerce in marijuana.
 - (4) The governor may delegate the power to negotiate marijuana agreements to the state liquor control board. In conducting such negotiations, the state liquor control board must, when necessary, consult with the governor and/or the department of revenue.
 - (5) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.
 - (a) "Indian business" means (i) a business wholly owned and operated by an Indian tribe, or (ii) a business wholly owned and operated by a tribal member and licensed by the tribe.
 - (b) "Indian country" has the same meaning as in RCW 82.24.010.
 - (c) "Indian tribe" or "tribe" means a federally recognized Indian tribe located within the geographical boundaries of the state of Washington.
- (d) "Marijuana" means "marijuana," "marijuana concentrates," marijuana-infused products," and "useable marijuana," as those terms are defined in RCW 69.50.101.

- NEW SECTION. Sec. 3. A new section is added to chapter 69.50 RCW to read as follows:
- The taxes, fees, assessments, and other charges imposed by this chapter do not apply to commercial activities related to the production, processing, sale, and possession of marijuana, useable marijuana, marijuana concentrates, and marijuana-infused products covered by an agreement entered into under section 2 of this act.
- 8 <u>NEW SECTION.</u> **Sec. 4.** A new section is added to chapter 82.08 9 RCW to read as follows:
- The taxes imposed by this chapter do not apply to the retail sale of marijuana, useable marijuana, marijuana concentrates, and marijuana-infused products covered by an agreement entered into under section 2 of this act. "Marijuana," "useable marijuana," "marijuana concentrates," and "marijuana-infused products" have the same meaning as defined in RCW 69.50.101.
- NEW SECTION. Sec. 5. A new section is added to chapter 82.12 RCW to read as follows:
- The taxes imposed by this chapter do not apply to the use of marijuana, useable marijuana, marijuana concentrates, and marijuanainfused products covered by an agreement entered into under section 2 of this act. "Marijuana," "useable marijuana," "marijuana concentrates," and "marijuana-infused products" have the same meaning as defined in RCW 69.50.101.
- 24 **Sec. 6.** RCW 69.50.360 and 2014 c 192 s 5 are each amended to 25 read as follows:
 - The following acts, when performed by a validly licensed marijuana retailer or employee of a validly licensed retail outlet in compliance with rules adopted by the state liquor control board to implement and enforce chapter 3, Laws of 2013, ((shall)) do not constitute criminal or civil offenses under Washington state law:
- 31 (1) Purchase and receipt of marijuana concentrates, useable 32 marijuana, or marijuana-infused products that have been properly 33 packaged and labeled from a marijuana processor validly licensed 34 under chapter 3, Laws of 2013;
- 35 (2) Possession of quantities of marijuana concentrates, useable 36 marijuana, or marijuana-infused products that do not exceed the

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- 1 maximum amounts established by the state liquor control board under 2 RCW 69.50.345(5); ((and))
 - (3) Delivery, distribution, and sale, on the premises of the retail outlet, of any combination of the following amounts of marijuana concentrates, useable marijuana, or marijuana-infused product to any person twenty-one years of age or older:
 - (a) One ounce of useable marijuana;
 - (b) Sixteen ounces of marijuana-infused product in solid form;
- 9 (c) Seventy-two ounces of marijuana-infused product in liquid 10 form; or
- 11 (d) Seven grams of marijuana concentrate; and
- 12 <u>(4) Purchase and receipt of marijuana concentrates, useable</u>
 13 <u>marijuana, or marijuana-infused products that have been properly</u>
 14 <u>packaged and labeled from a federally recognized Indian tribe as</u>
 15 <u>permitted under an agreement between the state and the tribe entered</u>
- 16 into under section 2 of this act.

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- 17 **Sec. 7.** RCW 69.50.363 and 2013 c 3 s 16 are each amended to read 18 as follows:
 - The following acts, when performed by a validly licensed marijuana processor or employee of a validly licensed marijuana processor in compliance with rules adopted by the state liquor control board to implement and enforce chapter 3, Laws of 2013, ((shall)) do not constitute criminal or civil offenses under Washington state law:
 - (1) Purchase and receipt of marijuana that has been properly packaged and labeled from a marijuana producer validly licensed under chapter 3, Laws of 2013;
 - (2) Possession, processing, packaging, and labeling of quantities of marijuana, useable marijuana, and marijuana-infused products that do not exceed the maximum amounts established by the state liquor control board under RCW 69.50.345(4); ((and))
- 32 (3) Delivery, distribution, and sale of useable marijuana or 33 marijuana-infused products to a marijuana retailer validly licensed 34 under chapter 3, Laws of 2013; and
- 35 (4) Delivery, distribution, and sale of useable marijuana, 36 marijuana concentrates, or marijuana-infused products to a federally 37 recognized Indian tribe as permitted under an agreement between the 38 state and the tribe entered into under section 2 of this act.

- 1 **Sec. 8.** RCW 69.50.366 and 2013 c 3 s 17 are each amended to read 2 as follows:
 - The following acts, when performed by a validly licensed marijuana producer or employee of a validly licensed marijuana producer in compliance with rules adopted by the state liquor control board to implement and enforce chapter 3, Laws of 2013, ((shall)) do not constitute criminal or civil offenses under Washington state law:
- 8 (1) Production or possession of quantities of marijuana that do 9 not exceed the maximum amounts established by the state liquor 10 control board under RCW 69.50.345(3); ((and))
- 11 (2) Delivery, distribution, and sale of marijuana to a marijuana 12 processor or another marijuana producer validly licensed under 13 chapter 3, Laws of 2013; and
- (3) Delivery, distribution, and sale of marijuana or useable
 marijuana to a federally recognized Indian tribe as permitted under
 an agreement between the state and the tribe entered into under
 section 2 of this act."

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ADOPTED 4/15/2015

On page 1, line 3 of the title, after "marijuana;" strike the remainder of the title and insert "amending RCW 69.50.360, 69.50.363, and 69.50.366; adding new sections to chapter 43.06 RCW; adding a new section to chapter 69.50 RCW; adding a new section to chapter 82.08 RCW; and adding a new section to chapter 82.12 RCW."

EFFECT: Requires that any agreement must contain at least the equivalent tax on marijuana that the state has on marijuana.

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