

**E2SHB 2136** - S COMM AMD  
By Committee on Ways & Means

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

3 "PART I

4 **Intent and Tax Preference Performance Statement**

5 NEW SECTION. **Sec. 101.** (1)(a) The legislature finds the  
6 implementation of Initiative Measure No. 502 has established a  
7 clearly disadvantaged regulated legal market with respect to prices  
8 and the ability to compete with the unregulated medical dispensary  
9 market and the illicit market. The legislature further finds that it  
10 is crucial that the state continues to ensure a safe, highly  
11 regulated system in Washington that protects valuable state revenues  
12 while continuing efforts towards disbanding the unregulated marijuana  
13 markets. The legislature further finds that ongoing evaluation on the  
14 impact of meaningful marijuana tax reform for the purpose of  
15 stabilizing revenues is crucial to the overall effort of protecting  
16 the citizens and resources of this state. The legislature further  
17 finds that a partnership with local jurisdictions in this effort is  
18 imperative to the success of the legislature's policy objective. The  
19 legislature further finds that sharing revenues to promote a  
20 successful partnership in achieving the legislature's intent should  
21 be transparent and hold local jurisdictions accountable for their use  
22 of state shared revenues. Therefore, the legislature intends to  
23 reform the current tax structure for the regulated legal marijuana  
24 system to create price parity with the large medical and illicit  
25 markets with the specific objective of increasing the market share of  
26 the legal and highly regulated marijuana market. The legislature  
27 further intends to share marijuana tax revenues with local  
28 jurisdictions for public safety purposes and to facilitate the  
29 ongoing process of ensuring a safe regulated marijuana market in all  
30 communities across the state.

31 (b) The legislature further finds marijuana use for qualifying  
32 patients is a valid and necessary option health care professionals  
33 may recommend for their patients. The legislature further finds that

1 while recognizing the difference between recreational and medical use  
2 of marijuana, it is also imperative to distinguish that the  
3 authorization for medical use of marijuana is different from a valid  
4 prescription provided by a doctor to a patient. The legislature  
5 further finds the authorization for medical use of marijuana is  
6 unlike over-the-counter medications that require no oversight by a  
7 health care professional. The legislature further finds that due to  
8 the unique characterization of authorizations for the medical use of  
9 marijuana, the policy of providing a tax preference benefit for  
10 patients using an authorization should in no way be construed as  
11 precedent for changes in the treatment of prescription medications or  
12 over-the-counter medications. Therefore, the legislature intends to  
13 provide qualifying patients and their designated providers a retail  
14 sales and use tax exemption on marijuana purchased or obtained for  
15 medical use when authorized by a health care professional.

16 (2)(a) This subsection is the tax preference performance  
17 statement for the retail sales and use tax exemption for marijuana  
18 purchased or obtained by qualifying patients or their designated  
19 providers provided in sections 208(1) and 209(1) of this act. The  
20 performance statement is only intended to be used for subsequent  
21 evaluation of the tax preference. It is not intended to create a  
22 private right of action by any party or be used to determine  
23 eligibility for preferential tax treatment.

24 (b) The legislature categorizes the tax preference as one  
25 intended to accomplish the general purposes indicated in RCW  
26 82.32.808(2)(e).

27 (c) It is the legislature's specific public policy objective to  
28 provide qualifying patients and their designated providers a retail  
29 sales and use tax exemption on marijuana purchased or obtained for  
30 medical use when authorized by a health care professional.

31 (d) To measure the effectiveness of the exemption provided in  
32 this act in achieving the specific public policy objective described  
33 in (c) of this subsection, the department of revenue must provide the  
34 necessary data and assistance to the state liquor and cannabis board  
35 for the report required in RCW 69.50.535.

36

## PART II

37

### **Marijuana Excise Tax, Exemptions, and Distribution of Revenues**

1       **Sec. 201.** RCW 69.50.334 and 2013 c 3 s 7 are each amended to  
2 read as follows:

3       ~~(1)~~ (1) The action, order, or decision of the state liquor  
4 ~~((control))~~ and cannabis board as to any denial of an application for  
5 the reissuance of a license to produce, process, or sell marijuana,  
6 or as to any revocation, suspension, or modification of any license  
7 to produce, process, or sell marijuana, ~~((shall))~~ or as to the  
8 administrative review of a notice of unpaid trust fund taxes under  
9 section 202 of this act, must be an adjudicative proceeding and  
10 subject to the applicable provisions of chapter 34.05 RCW.

11       ~~((1))~~ (2) An opportunity for a hearing may be provided to an  
12 applicant for the reissuance of a license prior to the disposition of  
13 the application, and if no opportunity for a prior hearing is  
14 provided then an opportunity for a hearing to reconsider the  
15 application must be provided the applicant.

16       ~~((2))~~ (3) An opportunity for a hearing must be provided to a  
17 licensee prior to a revocation or modification of any license and,  
18 except as provided in subsection ~~((4))~~ (6) of this section, prior  
19 to the suspension of any license.

20       ~~((3))~~ (4) An opportunity for a hearing must be provided to any  
21 person issued a notice of unpaid trust fund taxes under section 202  
22 of this act.

23       (5) No hearing ~~((shall))~~ may be required under this section until  
24 demanded by the applicant ~~((or))~~ licensee, or person issued a notice  
25 of unpaid trust fund taxes under section 202 of this act.

26       ~~((4))~~ (6) The state liquor ~~((control))~~ and cannabis board may  
27 summarily suspend a license for a period of up to one hundred eighty  
28 days without a prior hearing if it finds that public health, safety,  
29 or welfare imperatively require emergency action, and it incorporates  
30 a finding to that effect in its order. Proceedings for revocation or  
31 other action must be promptly instituted and determined. An  
32 administrative law judge may extend the summary suspension period for  
33 up to one calendar year from the first day of the initial summary  
34 suspension in the event the proceedings for revocation or other  
35 action cannot be completed during the initial one hundred eighty-day  
36 period due to actions by the licensee. The state liquor ~~((control))~~  
37 and cannabis board's enforcement division shall complete a  
38 preliminary staff investigation of the violation before requesting an  
39 emergency suspension by the state liquor ~~((control))~~ and cannabis  
40 board.

1        NEW SECTION.    **Sec. 202.**    A new section is added to chapter 69.50

2    RCW under the subchapter heading "article V" to read as follows:

3        (1)    Whenever the board determines that a limited liability  
4    business entity has collected trust fund taxes and has failed to  
5    remit those taxes to the board and that business entity has been  
6    terminated, dissolved, or abandoned, or is insolvent, the board may  
7    pursue collection of the entity's unpaid trust fund taxes, including  
8    penalties on those taxes, against any or all of the responsible  
9    individuals. For purposes of this subsection, "insolvent" means the  
10   condition that results when the sum of the entity's debts exceeds the  
11   fair market value of its assets. The board may presume that an entity  
12   is insolvent if the entity refuses to disclose to the board the  
13   nature of its assets and liabilities.

14        (2)(a) For a responsible individual who is the current or a  
15   former chief executive or chief financial officer, liability under  
16   this section applies regardless of fault or whether the individual  
17   was or should have been aware of the unpaid trust fund tax liability  
18   of the limited liability business entity.

19        (b) For any other responsible individual, liability under this  
20   section applies only if he or she willfully failed to pay or to cause  
21   to be paid to the board the trust fund taxes due from the limited  
22   liability business entity.

23        (3)(a) Except as provided in this subsection (3)(a), a  
24   responsible individual who is the current or a former chief executive  
25   or chief financial officer is liable under this section only for  
26   trust fund tax liability accrued during the period that he or she was  
27   the chief executive or chief financial officer. However, if the  
28   responsible individual had the responsibility or duty to remit  
29   payment of the limited liability business entity's trust fund taxes  
30   to the board during any period of time that the person was not the  
31   chief executive or chief financial officer, that individual is also  
32   liable for trust fund tax liability that became due during the period  
33   that he or she had the duty to remit payment of the limited liability  
34   business entity's taxes to the board but was not the chief executive  
35   or chief financial officer.

36        (b) All other responsible individuals are liable under this  
37   section only for trust fund tax liability that became due during the  
38   period he or she had the responsibility or duty to remit payment of  
39   the limited liability business entity's taxes to the board.

1 (4) Persons described in subsection (3)(b) of this section are  
2 exempt from liability under this section in situations where  
3 nonpayment of the limited liability business entity's trust fund  
4 taxes was due to reasons beyond their control as determined by the  
5 board by rule.

6 (5) Any person having been issued a notice of unpaid trust fund  
7 taxes under this section is entitled to an administrative hearing  
8 under RCW 69.50.334 and any such rules the board may adopt.

9 (6) This section does not relieve the limited liability business  
10 entity of its trust fund tax liability or otherwise impair other tax  
11 collection remedies afforded by law.

12 (7) The definitions in this subsection apply throughout this  
13 section unless the context clearly requires otherwise.

14 (a) "Board" means the state liquor and cannabis board.

15 (b) "Chief executive" means: The president of a corporation or  
16 for other entities or organizations other than corporations or if the  
17 corporation does not have a president as one of its officers, the  
18 highest ranking executive manager or administrator in charge of the  
19 management of the company or organization.

20 (c) "Chief financial officer" means: The treasurer of a  
21 corporation or for entities or organizations other than corporations  
22 or if a corporation does not have a treasurer as one of its officers,  
23 the highest senior manager who is responsible for overseeing the  
24 financial activities of the entire company or organization.

25 (d) "Limited liability business entity" means a type of business  
26 entity that generally shields its owners from personal liability for  
27 the debts, obligations, and liabilities of the entity, or a business  
28 entity that is managed or owned in whole or in part by an entity that  
29 generally shields its owners from personal liability for the debts,  
30 obligations, and liabilities of the entity. Limited liability  
31 business entities include corporations, limited liability companies,  
32 limited liability partnerships, trusts, general partnerships and  
33 joint ventures in which one or more of the partners or parties are  
34 also limited liability business entities, and limited partnerships in  
35 which one or more of the general partners are also limited liability  
36 business entities.

37 (e) "Manager" has the same meaning as in RCW 25.15.005.

38 (f) "Member" has the same meaning as in RCW 25.15.005, except  
39 that the term only includes members of member-managed limited  
40 liability companies.

1 (g) "Officer" means any officer or assistant officer of a  
2 corporation, including the president, vice president, secretary, and  
3 treasurer.

4 (h)(i) "Responsible individual" includes any current or former  
5 officer, manager, member, partner, or trustee of a limited liability  
6 business entity with unpaid trust fund tax liability.

7 (ii) "Responsible individual" also includes any current or former  
8 employee or other individual, but only if the individual had the  
9 responsibility or duty to remit payment of the limited liability  
10 business entity's unpaid trust fund tax liability.

11 (iii) Whenever any taxpayer has one or more limited liability  
12 business entities as a member, manager, or partner, "responsible  
13 individual" also includes any current and former officers, members,  
14 or managers of the limited liability business entity or entities or  
15 of any other limited liability business entity involved directly in  
16 the management of the taxpayer. For purposes of this subsection  
17 (7)(h)(iii), "taxpayer" means a limited liability business entity  
18 with unpaid trust fund taxes.

19 (i) "Trust fund taxes" means taxes collected from buyers and  
20 deemed held in trust under RCW 69.50.535.

21 (j) "Willfully failed to pay or to cause to be paid" means that  
22 the failure was the result of an intentional, conscious, and  
23 voluntary course of action.

24 **Sec. 203.** RCW 69.50.357 and 2014 c 192 s 4 are each amended to  
25 read as follows:

26 (1) Retail outlets (~~((shall sell no))~~) may not sell products or  
27 services other than marijuana concentrates, useable marijuana,  
28 marijuana-infused products, or paraphernalia intended for the storage  
29 or use of marijuana concentrates, useable marijuana, or marijuana-  
30 infused products.

31 (2) Licensed marijuana retailers (~~((shall))~~) may not employ persons  
32 under twenty-one years of age or allow persons under twenty-one years  
33 of age to enter or remain on the premises of a retail outlet.

34 (3) Licensed marijuana retailers (~~((shall))~~) may not display any  
35 signage (~~((in a window, on a door, or on the outside of the premises  
36 of a retail outlet that is visible to the general public from a  
37 public right of way, other than a single sign no larger than one  
38 thousand six hundred square inches identifying the retail outlet by  
39 the licensee's business or trade name.~~

1       ~~(4) Licensed marijuana retailers shall not display useable~~  
2 ~~marijuana or marijuana-infused products in a manner that is visible~~  
3 ~~to the general public from a public right-of-way.~~

4       ~~(5))~~ outside of the licensed premises, other than two signs  
5 identifying the retail outlet by the licensee's business or trade  
6 name. Each sign must be no larger than one thousand six hundred  
7 square inches, be permanently affixed to a building or other  
8 structure, and be posted not less than one thousand feet from any  
9 elementary school, secondary school, or playground.

10       ~~(4)~~ No licensed marijuana retailer or employee of a retail outlet  
11 ~~((shall))~~ may open or consume, or allow to be opened or consumed, any  
12 marijuana concentrates, useable marijuana, or marijuana-infused  
13 product on the outlet premises.

14       ~~((6))~~ (5) The state liquor ~~((control))~~ and cannabis board  
15 ~~((shall))~~ must fine a licensee one thousand dollars for each  
16 violation of any subsection of this section. Fines collected under  
17 this section must be deposited into the dedicated marijuana ~~((fund))~~  
18 account created under RCW 69.50.530.

19       **Sec. 204.** RCW 69.50.369 and 2013 c 3 s 18 are each amended to  
20 read as follows:

21       (1) No licensed marijuana producer, processor, researcher, or  
22 retailer ~~((shall))~~ may place or maintain, or cause to be placed or  
23 maintained, an advertisement of marijuana, useable marijuana,  
24 marijuana concentrates, or a marijuana-infused product in any form or  
25 through any medium whatsoever:

26       (a) Within one thousand feet of the perimeter of a school  
27 grounds, playground, recreation center or facility, child care  
28 center, public park, or library, or any game arcade admission to  
29 which is not restricted to persons aged twenty-one years or older;

30       (b) On or in a public transit vehicle or public transit shelter;  
31 or

32       (c) On or in a publicly owned or operated property.

33       (2) Merchandising within a retail outlet is not advertising for  
34 the purposes of this section.

35       (3) This section does not apply to a noncommercial message.

36       (4) The state liquor ~~((control))~~ and cannabis board ~~((shall))~~  
37 must fine a licensee one thousand dollars for each violation of  
38 subsection (1) of this section. Fines collected under this subsection

1 must be deposited into the dedicated marijuana ((fund)) account  
2 created under RCW 69.50.530.

3 **Sec. 205.** RCW 69.50.535 and 2014 c 192 s 7 are each amended to  
4 read as follows:

5 ~~(1) ((There is levied and collected a marijuana excise tax equal~~  
6 ~~to twenty five percent of the selling price on each wholesale sale in~~  
7 ~~this state of marijuana by a licensed marijuana producer to a~~  
8 ~~licensed marijuana processor or another licensed marijuana producer.~~  
9 ~~This tax is the obligation of the licensed marijuana producer.~~

10 ~~(2) There is levied and collected a marijuana excise tax equal to~~  
11 ~~twenty five percent of the selling price on each wholesale sale in~~  
12 ~~this state of marijuana concentrates, useable marijuana, and~~  
13 ~~marijuana-infused products by a licensed marijuana processor to a~~  
14 ~~licensed marijuana retailer. This tax is the obligation of the~~  
15 ~~licensed marijuana processor.~~

16 ~~(3))~~ (a) There is levied and collected a marijuana excise tax  
17 equal to ~~((twenty five))~~ thirty-seven percent of the selling price on  
18 each retail sale in this state of marijuana concentrates, useable  
19 marijuana, and marijuana-infused products. This tax is ~~((the~~  
20 ~~obligation of the licensed marijuana retailer, is))~~ separate and in  
21 addition to general state and local sales and use taxes that apply to  
22 retail sales of tangible personal property, and is not part of the  
23 total retail price to which general state and local sales and use  
24 taxes apply. The tax must be separately itemized from the state and  
25 local retail sales tax on the sales receipt provided to the buyer.

26 (b) The tax levied in this section must be reflected in the price  
27 list or quoted shelf price in the licensed marijuana retail store and  
28 in any advertising that includes prices for all useable marijuana,  
29 marijuana concentrates, or marijuana-infused products.

30 ~~((4))~~ (2) All revenues collected from the marijuana excise  
31 ~~((taxes))~~ tax imposed under ~~((subsections (1) through (3) of))~~ this  
32 section ~~((shall))~~ must be deposited each day in ~~((a depository~~  
33 ~~approved by the state treasurer and transferred to the state~~  
34 ~~treasurer to be credited to))~~ the dedicated marijuana ~~((fund))~~  
35 account.

36 ~~((5))~~ (3) The ~~((state liquor control board shall))~~ tax imposed  
37 in this section must be paid by the buyer to the seller. Each seller  
38 must collect from the buyer the full amount of the tax payable on  
39 each taxable sale. The tax collected as required by this section is



1 deemed to be held in trust by the seller until paid to the board. If  
2 any seller fails to collect the tax imposed in this section or,  
3 having collected the tax, fails to pay it as prescribed by the board,  
4 whether such failure is the result of the seller's own acts or the  
5 result of acts or conditions beyond the seller's control, the seller  
6 is, nevertheless, personally liable to the state for the amount of  
7 the tax.

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

10 (a) "Board" means the state liquor and cannabis board.

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

12 (c) "Selling price" has the same meaning as in RCW 82.08.010,  
13 except that when product is sold under circumstances where the total  
14 amount of consideration paid for the product is not indicative of its  
15 true value, "selling price" means the true value of the product sold  
16 as determined or agreed to by the board.

17 (d) "Product" means marijuana, marijuana concentrates, useable  
18 marijuana, and marijuana-infused products.

19 (e) "True value" means market value based on sales at comparable  
20 locations in this state of the same or similar product of like  
21 quality and character sold under comparable conditions of sale to  
22 comparable purchasers. However, in the absence of such sales of the  
23 same or similar product, true value means the value of the product  
24 sold as determined by all of the seller's direct and indirect costs  
25 attributable to the product.

26 (5)(a) The board must regularly review the tax level((s))  
27 established under this section and make recommendations, in  
28 consultation with the department of revenue, to the legislature as  
29 appropriate regarding adjustments that would further the goal of  
30 discouraging use while undercutting illegal market prices.

31 (b) The state liquor and cannabis board must report, in  
32 compliance with RCW 43.01.036, to the appropriate committees of the  
33 legislature every two years. The report at a minimum must include the  
34 following:

35 (i) The specific recommendations required under (a) of this  
36 subsection;

37 (ii) A comparison of gross sales and tax collections prior to and  
38 after any marijuana tax change;

39 (iii) The increase or decrease in the volume of legal marijuana  
40 sold prior to and after any marijuana tax change;

1 (iv) Increases or decreases in the number of licensed marijuana  
2 producers, processors, and retailers;

3 (v) The number of illegal and noncompliant marijuana outlets the  
4 board requires to be closed;

5 (vi) Gross marijuana sales and tax collections in Oregon; and

6 (vii) The total amount of reported sales and use taxes exempted  
7 for qualifying patients. The department of revenue must provide the  
8 data of exempt amounts to the board.

9 (c) The board is not required to report to the legislature as  
10 required in (b) of this subsection after January 1, 2025.

11 **Sec. 206.** RCW 69.50.540 and 2013 c 3 s 28 are each amended to  
12 read as follows:

13 ~~((All marijuana excise taxes collected from sales of marijuana,~~  
14 ~~useable marijuana, and marijuana infused products under RCW~~  
15 ~~69.50.535, and the license fees, penalties, and forfeitures derived~~  
16 ~~under chapter 3, Laws of 2013 from marijuana producer, marijuana~~  
17 ~~processor, and marijuana retailer licenses shall every three months~~  
18 ~~be disbursed by the state liquor control board as follows:~~

19 ~~(1))~~ The legislature must annually appropriate moneys in the  
20 dedicated marijuana account created in RCW 69.50.530 as follows:

21 (1) For the purposes listed in this subsection (1), the  
22 legislature must appropriate to the respective agencies amounts  
23 sufficient to make the following expenditures on a quarterly basis:

24 (a) One hundred twenty-five thousand dollars to the department of  
25 social and health services to design and administer the Washington  
26 state healthy youth survey, analyze the collected data, and produce  
27 reports, in collaboration with the office of the superintendent of  
28 public instruction, department of health, department of commerce,  
29 family policy council, and state liquor ~~((control))~~ and cannabis  
30 board. The survey ~~((shall))~~ must be conducted at least every two  
31 years and include questions regarding, but not necessarily limited  
32 to, academic achievement, age at time of substance use initiation,  
33 antisocial behavior of friends, attitudes toward antisocial behavior,  
34 attitudes toward substance use, laws and community norms regarding  
35 antisocial behavior, family conflict, family management, parental  
36 attitudes toward substance use, peer rewarding of antisocial  
37 behavior, perceived risk of substance use, and rebelliousness. Funds  
38 disbursed under this subsection may be used to expand administration

1 of the healthy youth survey to student populations attending  
2 institutions of higher education in Washington;

3 ~~((+2))~~ (b) Fifty thousand dollars to the department of social  
4 and health services for the purpose of contracting with the  
5 Washington state institute for public policy to conduct the cost-  
6 benefit evaluation and produce the reports described in RCW  
7 69.50.550. This appropriation ~~((shall))~~ ends after production of the  
8 final report required by RCW 69.50.550;

9 ~~((+3))~~ (c) Five thousand dollars to the University of Washington  
10 alcohol and drug abuse institute for the creation, maintenance, and  
11 timely updating of web-based public education materials providing  
12 medically and scientifically accurate information about the health  
13 and safety risks posed by marijuana use;

14 ~~((+4))~~ (d) An amount not ~~((exceeding))~~ less than one million two  
15 hundred fifty thousand dollars to the state liquor ~~((control board as  
16 is necessary for administration of chapter 3, Laws of 2013;~~

17 ~~(5) Of the funds remaining after the disbursements identified in  
18 subsections (1) through (4) of this section))~~ and cannabis board for  
19 administration of this chapter as appropriated in the omnibus  
20 appropriations act;

21 (e) Twenty-three thousand seven hundred fifty dollars to the  
22 department of enterprise services provided solely for the state  
23 building code council established under RCW 19.27.070, to develop and  
24 adopt fire and building code provisions related to marijuana  
25 processing and extraction facilities. The distribution under this  
26 subsection (1)(e) is for fiscal year 2016 only;

27 (2) From the amounts in the dedicated marijuana account after  
28 appropriation of the amounts identified in subsection (1) of this  
29 section, the legislature must appropriate for the purposes listed in  
30 this subsection (2) as follows:

31 ~~((Fifteen percent))~~ (i) Up to fifteen percent, but at least  
32 five million one hundred sixty-six thousand dollars annually, to the  
33 department of social and health services division of behavioral  
34 health and recovery for ~~((implementation and maintenance))~~ the  
35 development, implementation, maintenance, and evaluation of programs  
36 and practices aimed at the prevention or reduction of maladaptive  
37 substance use, substance-use disorder, substance abuse or substance  
38 dependence, as these terms are defined in the Diagnostic and  
39 Statistical Manual of Mental Disorders, among middle school and high  
40 school age students, whether as an explicit goal of a given program

1 or practice or as a consistently corresponding effect of its  
2 implementation, mental health services for children and youth, and  
3 services for pregnant and parenting women; PROVIDED, That:

4 ((+i)) (A) Of the funds (~~(disbursed)~~) appropriated under (a)(i)  
5 of this subsection for new programs and new services, at least  
6 eighty-five percent must be directed to evidence-based (~~(and cost-~~  
7 ~~beneficial))~~) or research-based programs and practices that produce  
8 objectively measurable results and, by September 1, 2020, are cost-  
9 beneficial; and

10 ((+ii)) (B) Up to fifteen percent of the funds (~~(disbursed)~~)  
11 appropriated under (a)(i) of this subsection for new programs and new  
12 services may be directed to (~~(research-based and))~~) proven and tested  
13 practices, emerging best practices, or promising practices.

14 (ii) In deciding which programs and practices to fund, the  
15 secretary of the department of social and health services (~~(shall)~~)  
16 must consult, at least annually, with the University of Washington's  
17 social development research group and the University of Washington's  
18 alcohol and drug abuse institute;

19 (b) (~~(Ten percent)~~) Up to ten percent, but at least three million  
20 four hundred forty-four thousand dollars annually, to the department  
21 of health for the following:

22 (i) Creation, implementation, operation, and management of a  
23 marijuana education and public health program that contains the  
24 following:

25 ((+i)) (A) A marijuana use public health hotline that provides  
26 referrals to substance abuse treatment providers, utilizes evidence-  
27 based or research-based public health approaches to minimizing the  
28 harms associated with marijuana use, and does not solely advocate an  
29 abstinence-only approach;

30 ((+ii)) (B) A grants program for local health departments or  
31 other local community agencies that supports development and  
32 implementation of coordinated intervention strategies for the  
33 prevention and reduction of marijuana use by youth; and

34 ((+iii)) (C) Media-based education campaigns across television,  
35 internet, radio, print, and out-of-home advertising, separately  
36 targeting youth and adults, that provide medically and scientifically  
37 accurate information about the health and safety risks posed by  
38 marijuana use; and

39 (ii) The Washington poison control center;

1       (c) (~~Six-tenths of one percent to the University of Washington~~  
2 ~~and four-tenths of one percent~~) Up to six-tenths of one percent, but  
3 at least two hundred six thousand dollars annually to the University  
4 of Washington, and up to four-tenths of one percent, but at least one  
5 hundred thirty-eight thousand dollars annually, to Washington State  
6 University for research on the short and long-term effects of  
7 marijuana use, to include but not be limited to formal and informal  
8 methods for estimating and measuring intoxication and impairment, and  
9 for the dissemination of such research;

10       (d) (~~Fifty percent to the state basic health plan trust~~  
11 ~~account~~) Up to fifty percent, but at least seventeen million two  
12 hundred nineteen thousand dollars annually, to be administered by the  
13 Washington basic health plan administrator and used as provided under  
14 chapter 70.47 RCW;

15       (e) (~~Five percent~~) Up to five percent, but at least one million  
16 seven hundred twenty-two thousand dollars annually, to the Washington  
17 state health care authority to be expended exclusively through  
18 contracts with community health centers to provide primary health and  
19 dental care services, migrant health services, and maternity health  
20 care services as provided under RCW 41.05.220;

21       (f) (~~Three-tenths of one percent~~) Up to three-tenths of one  
22 percent, but at least one hundred three thousand dollars annually, to  
23 the office of the superintendent of public instruction to fund grants  
24 to building bridges programs under chapter 28A.175 RCW; ((and))

25       (g) (~~The remainder to the general fund.~~) Up to one million  
26 eight hundred thousand dollars annually to the department of commerce  
27 provided solely for community mobilization purposes as identified in  
28 RCW 43.270.020, subject to the amounts appropriated by the  
29 legislature for this purpose; and

30       (h) At the end of each fiscal year, the treasurer must transfer  
31 any amounts in the dedicated marijuana account that are not  
32 appropriated pursuant to subsection (1) of this section and this  
33 subsection (2) into the general fund, except as provided in (h)(i) of  
34 this subsection (2).

35       (i) Beginning in fiscal year 2018 and each year thereafter, if  
36 marijuana excise tax collections deposited into the general fund in  
37 the prior fiscal year exceed twenty-five million dollars, then each  
38 fiscal year the legislature must appropriate an amount equal to  
39 thirty percent of all marijuana excise taxes deposited into the

1 general fund the prior fiscal year to the treasurer for distribution  
2 to counties, cities, and towns as follows:

3 (A) Thirty percent must be distributed to counties, cities, and  
4 towns where licensed marijuana retailers are physically located. Each  
5 jurisdiction must receive a share of the revenue distribution under  
6 this subsection (2)(h)(i)(A) based on the proportional share of the  
7 total revenues generated in the individual jurisdiction from the  
8 taxes collected under RCW 69.50.535, from licensed marijuana  
9 retailers physically located in each jurisdiction. For purposes of  
10 this subsection (2)(h)(i)(A), one hundred percent of the proportional  
11 amount attributed to a retailer physically located in a city or town  
12 must be distributed to the city or town.

13 (B) Seventy percent must be distributed to counties, cities, and  
14 towns ratably on a per capita basis. Counties must receive sixty  
15 percent of the distribution, which shall be disbursed based on each  
16 county's total proportional population, including the population  
17 within incorporated cities and towns, and cities and towns must  
18 receive forty percent of this distribution, which must be based on  
19 each city or town's total proportional population. Funds may only be  
20 distributed to jurisdictions that do not prohibit the siting of any  
21 state licensed marijuana producer, processor, or retailer; except for  
22 counties that prohibit the siting of any state licensed marijuana  
23 producer, processor, or retailer, but have cities or towns within the  
24 county which contain marijuana retail stores, such counties must  
25 receive twenty percent of the funds they would otherwise receive if  
26 they did not prohibit the siting of marijuana producers, processors,  
27 or retailers.

28 (ii) Distribution amounts allocated to each county, city, and  
29 town must be distributed in four installments by the last day of each  
30 fiscal quarter.

31 (iii) By September 15th of each year, the state liquor and  
32 cannabis board must provide the state treasurer the annual  
33 distribution amount, if any, for each county and city as determined  
34 in (h)(i) of this subsection (2).

35 (iv) The total share of marijuana excise tax revenues distributed  
36 to counties and cities in (h)(i) of this subsection (2) may not  
37 exceed fifteen million dollars per fiscal year through June 30, 2019,  
38 and may not exceed twenty million dollars per fiscal year thereafter.

1 For the purposes of this section, "marijuana products" means  
2 "useable marijuana," "marijuana concentrates," and "marijuana-infused  
3 products" as those terms are defined in RCW 69.50.101.

4 NEW SECTION. Sec. 207. A new section is added to chapter 69.50  
5 RCW to read as follows:

6 (1) The joint legislative audit and review committee must provide  
7 a report to the fiscal committees of the state legislature analyzing  
8 the incremental cost of legalization of marijuana on local  
9 jurisdictions by January 31, 2021. The committee may rely on data  
10 provided by local jurisdictions in subsection (2) of this section,  
11 along with data from the state liquor and cannabis board, the state  
12 treasurer, and the state auditor for the report. The report must  
13 include at a minimum the following information:

14 (a) The amount of marijuana tax revenues expended for: (i)  
15 General government purposes; (ii) public safety purposes; and (iii)  
16 specific costs associated with the licensing and siting of marijuana  
17 businesses;

18 (b) The number and type of marijuana-related calls for service  
19 and arrests by jurisdiction; and

20 (c) The number and type of liquor and other drug-related calls  
21 for service and arrests by jurisdiction.

22 (2) All counties, and cities with a population greater than  
23 twenty thousand, receiving more than ten thousand dollars in  
24 marijuana excise tax revenue under RCW 69.50.540, must provide the  
25 joint legislative audit and review committee a report that includes  
26 the information listed in subsection (1) of this section by January  
27 31, 2016, and every subsequent January 31st, until January 31, 2020.

28 NEW SECTION. Sec. 208. A new section is added to chapter 82.08  
29 RCW to read as follows:

30 (1) Beginning July 1, 2016, the tax levied by RCW 82.08.020 does  
31 not apply to:

32 (a) Sales of marijuana concentrates, useable marijuana, or  
33 marijuana-infused products, identified by the department of health  
34 under RCW 69.50.--- (section 10, chapter . . ., Laws of 2015 (2SSB  
35 5052 (S-1522/15))) to be beneficial for medical use, by marijuana  
36 retailers with medical marijuana endorsements to qualifying patients  
37 or designated providers who have been issued recognition cards;

1 (b) Sales of products containing THC with a THC concentration of  
2 0.3 percent or less to qualifying patients or designated providers  
3 who have been issued recognition cards by marijuana retailers with  
4 medical marijuana endorsements;

5 (c) Sales of marijuana concentrates, useable marijuana, or  
6 marijuana-infused products, identified by the department of health  
7 under RCW 69.50.--- (section 10, chapter . . ., Laws of 2015 (2SSB  
8 5052 (S-1522/15))) to have a low THC, high CBD ratio, and to be  
9 beneficial for medical use, by marijuana retailers with medical  
10 marijuana endorsements, to any person;

11 (d) Sales of topical, noningestible products containing THC with  
12 a THC concentration of 0.3 percent or less by health care  
13 professionals under RCW 69.51A.--- (section 35, chapter . . ., Laws  
14 of 2015 (2SSB 5052 (S-1522/15)));

15 (e)(i) Marijuana, marijuana concentrates, useable marijuana,  
16 marijuana-infused products, or products containing THC with a THC  
17 concentration of 0.3 percent or less produced by a cooperative and  
18 provided to its members; and

19 (ii) Any nonmonetary resources and labor contributed by an  
20 individual member of the cooperative in which the individual is a  
21 member. However, nothing in this subsection (1)(e) may be construed  
22 to exempt the individual members of a cooperative from the tax  
23 imposed in RCW 82.08.020 on any purchase of property or services  
24 contributed to the cooperative.

25 (2) From the effective date of this section until July 1, 2016,  
26 the tax levied by RCW 82.08.020 does not apply to sales of marijuana,  
27 marijuana concentrates, useable marijuana, marijuana-infused  
28 products, or products containing THC with a THC concentration of 0.3  
29 percent or less, by collective gardens under RCW 69.51A.085 to  
30 qualifying patients or designated providers, if such sales are in  
31 compliance with chapter 69.51A RCW.

32 (3) Each seller making exempt sales under subsection (1) or (2)  
33 of this section must maintain information establishing eligibility  
34 for the exemption in the form and manner required by the department.

35 (4) The department must provide a separate tax reporting line for  
36 exemption amounts claimed under this section.

37 (5) The definitions in this subsection apply throughout this  
38 section unless the context clearly requires otherwise.



1 (a) "Cooperative" means a cooperative authorized by and operating  
2 in compliance with RCW 69.51A.--- (section 26, chapter . . ., Laws of  
3 2015 (2SSB 5052 (S-1522/15))).

4 (b) "Marijuana retailer with a medical marijuana endorsement"  
5 means a marijuana retailer permitted under RCW 69.50.--- (section 10,  
6 chapter . . ., Laws of 2015 (2SSB 5052 (S-1522/15))) to sell  
7 marijuana for medical use to qualifying patients and designated  
8 providers.

9 (c) "Products containing THC with a THC concentration of 0.3  
10 percent or less" means all products containing THC with a THC  
11 concentration not exceeding 0.3 percent and that, when used as  
12 intended, are inhalable, ingestible, or absorbable.

13 (d) "THC concentration," "marijuana," "marijuana concentrates,"  
14 "useable marijuana," "marijuana retailer," and "marijuana-infused  
15 products" have the same meanings as provided in RCW 69.50.101 and the  
16 terms "qualifying patients," "designated providers," and "recognition  
17 card" have the same meaning as provided in RCW 69.51A.010.

18 NEW SECTION. **Sec. 209.** A new section is added to chapter 82.12  
19 RCW to read as follows:

20 (1) From the effective date of this section until July 1, 2016,  
21 the provisions of this chapter do not apply to the use of marijuana,  
22 marijuana concentrates, useable marijuana, marijuana-infused  
23 products, or products containing THC with a THC concentration of 0.3  
24 percent or less, by a collective garden under RCW 69.51A.085, and the  
25 qualifying patients or designated providers participating in the  
26 collective garden, if such use is in compliance with chapter 69.51A  
27 RCW.

28 (2) Beginning July 1, 2016, the provisions of this chapter do not  
29 apply to:

30 (a) The use of marijuana concentrates, useable marijuana, or  
31 marijuana-infused products, identified by the department of health  
32 under RCW 69.50.--- (section 10, chapter . . ., Laws of 2015 (2SSB  
33 5052 (S-1522/15))) to be beneficial for medical use, by qualifying  
34 patients or designated providers who have been issued recognition  
35 cards and have obtained such products from a marijuana retailer with  
36 a medical marijuana endorsement.

37 (b) The use of products containing THC with a THC concentration  
38 of 0.3 percent or less by qualifying patients or designated providers  
39 who have been issued recognition cards and have obtained such

1 products from a marijuana retailer with a medical marijuana  
2 endorsement.

3 (c)(i) Marijuana retailers with a medical marijuana endorsement  
4 with respect to:

5 (A) Marijuana concentrates, useable marijuana, or marijuana-  
6 infused products; or

7 (B) Products containing THC with a THC concentration of 0.3  
8 percent or less;

9 (ii) The exemption in this subsection (2)(c) applies only if such  
10 products are provided at no charge to a qualifying patient or  
11 designated provider who has been issued a recognition card. Each such  
12 retailer providing such products at no charge must maintain  
13 information establishing eligibility for this exemption in the form  
14 and manner required by the department.

15 (d) The use of marijuana concentrates, useable marijuana, or  
16 marijuana-infused products, identified by the department of health  
17 under RCW 69.50.--- (section 10, chapter . . ., Laws of 2015 (2SSB  
18 5052 (S-1522/15))) to have a low THC, high CBD ratio, and to be  
19 beneficial for medical use, purchased from marijuana retailers with a  
20 medical marijuana endorsement.

21 (e) Health care professionals with respect to the use of products  
22 containing THC with a THC concentration of 0.3 percent or less  
23 provided at no charge by the health care professionals under RCW  
24 69.51A.--- (section 35, chapter . . ., Laws of 2015 (2SSB 5052  
25 (S-1522/15))). Each health care professional providing such products  
26 at no charge must maintain information establishing eligibility for  
27 this exemption in the form and manner required by the department.

28 (f) The use of topical, noningestible products containing THC  
29 with a THC concentration of 0.3 percent or less by qualifying  
30 patients when purchased from or provided at no charge by a health  
31 care professional under RCW 69.51A.--- (section 35, chapter . . .,  
32 Laws of 2015 (2SSB 5052 (S-1522/15))).

33 (g) The use of:

34 (i) Marijuana, marijuana concentrates, useable marijuana,  
35 marijuana-infused products, or products containing THC with a THC  
36 concentration of 0.3 percent or less, by a cooperative and its  
37 members, when produced by the cooperative; and

38 (ii) Any nonmonetary resources and labor by a cooperative when  
39 contributed by its members. However, nothing in this subsection  
40 (2)(g) may be construed to exempt the individual members of a

1 cooperative from the tax imposed in RCW 82.12.020 on the use of any  
2 property or services purchased by the member and contributed to the  
3 cooperative.

4 (3) The definitions in section 208 of this act apply to this  
5 section.

6 NEW SECTION. **Sec. 210.** The provisions of RCW 82.32.805 and  
7 82.32.808(8) do not apply to the exemptions in sections 208 and 209  
8 of this act.

9 NEW SECTION. **Sec. 211.** A new section is added to chapter 69.50  
10 RCW to read as follows:

11 (1)(a) Except as provided in (b) of this subsection, a retail  
12 sale of a bundled transaction that includes marijuana product is  
13 subject to the tax imposed under RCW 69.50.535 on the entire selling  
14 price of the bundled transaction.

15 (b) If the selling price is attributable to products that are  
16 taxable and products that are not taxable under RCW 69.50.535, the  
17 portion of the price attributable to the nontaxable products are  
18 subject to the tax imposed by RCW 69.50.535 unless the seller can  
19 identify by reasonable and verifiable standards the portion that is  
20 not subject to tax from its books and records that are kept in the  
21 regular course of business for other purposes including, but not  
22 limited to, nontax purposes.

23 (c) The definitions in this subsection apply throughout this  
24 section unless the context clearly requires otherwise.

25 (i) "Bundled transaction" means:

26 (A) The retail sale of two or more products where the products  
27 are otherwise distinct and identifiable, are sold for one nonitemized  
28 price, and at least one product is a marijuana product subject to the  
29 tax under RCW 69.50.535; and

30 (B) A marijuana product provided free of charge with the required  
31 purchase of another product. A marijuana product is provided free of  
32 charge if the sales price of the product purchased does not vary  
33 depending on the inclusion of the marijuana product provided free of  
34 charge.

35 (ii) "Distinct and identifiable products" does not include  
36 packaging such as containers, boxes, sacks, bags, and bottles, or  
37 materials such as wrapping, labels, tags, and instruction guides,  
38 that accompany the retail sale of the products and are incidental or

1 immaterial to the retail sale thereof. Examples of packaging that are  
2 incidental or immaterial include grocery sacks, shoeboxes, and dry  
3 cleaning garment bags.

4 (iii) "Marijuana product" means "useable marijuana," "marijuana  
5 concentrates," and "marijuana-infused products" as defined in RCW  
6 69.50.101.

7 (iv) "Selling price" has the same meaning as in RCW 82.08.010,  
8 except that when product is sold under circumstances where the total  
9 amount of consideration paid for the product is not indicative of its  
10 true value, "selling price" means the true value of the product sold  
11 as determined or agreed to by the state liquor and cannabis board.

12 (v) "True value" means market value based on sales at comparable  
13 locations in this state of the same or similar product of like  
14 quality and character sold under comparable conditions of sale to  
15 comparable purchasers. However, in the absence of such sales of the  
16 same or similar product, "true value" means the value of the product  
17 sold as determined by all of the seller's direct and indirect costs  
18 attributable to the product.

19 NEW SECTION. **Sec. 212.** A new section is added to chapter 69.50  
20 RCW to read as follows:

21 (1) Marijuana producers, processors, and retailers are prohibited  
22 from making sales of any marijuana or marijuana product, if the sale  
23 of the marijuana or marijuana product is conditioned upon the buyer's  
24 purchase of any service or nonmarijuana product. This subsection  
25 applies whether the buyer purchases such service or nonmarijuana  
26 product at the time of sale of the marijuana or marijuana product, or  
27 in a separate transaction.

28 (2) The definitions in this subsection apply throughout this  
29 section unless the context clearly requires otherwise.

30 (a) "Marijuana product" means "useable marijuana," "marijuana  
31 concentrates," and "marijuana-infused products," as those terms are  
32 defined in RCW 69.50.101.

33 (b) "Nonmarijuana product" includes paraphernalia, promotional  
34 items, lighters, bags, boxes, containers, and such other items as may  
35 be identified by the state liquor and cannabis board.

36 (c) "Selling price" has the same meaning as in RCW 69.50.535.

37 (d) "Service" includes memberships and any other services  
38 identified by the state liquor and cannabis board.

PART III

Marijuana Business: Buffers and Licensee Residency

Sec. 301. RCW 69.50.331 and 2013 c 3 s 6 are each amended to read as follows:

(1) For the purpose of considering any application for a license to produce, process, research, transport or deliver marijuana, useable marijuana, marijuana concentrates, or marijuana-infused products subject to the regulations established under section 502 of this act, or sell marijuana, or for the renewal of a license to produce, process, research, transport or deliver marijuana, useable marijuana, marijuana concentrates, or marijuana-infused products subject to the regulations established under section 502 of this act, or sell marijuana, the state liquor ~~((control))~~ and cannabis board may cause an inspection of the premises to be made, and may inquire into all matters in connection with the construction and operation of the premises. For the purpose of reviewing any application for a license and for considering the denial, suspension, revocation, or renewal or denial thereof, of any license, the state liquor ~~((control))~~ and cannabis board may consider any prior criminal conduct of the applicant including an administrative violation history record with the state liquor ~~((control))~~ and cannabis board and a criminal history record information check. The state liquor ~~((control))~~ and cannabis board may submit the criminal history record information check to the Washington state patrol and to the identification division of the federal bureau of investigation in order that these agencies may search their records for prior arrests and convictions of the individual or individuals who filled out the forms. The state liquor ~~((control))~~ and cannabis board ~~((shall))~~ must require fingerprinting of any applicant whose criminal history record information check is submitted to the federal bureau of investigation. The provisions of RCW 9.95.240 and of chapter 9.96A RCW ~~((shall))~~ do not apply to these cases. Subject to the provisions of this section, the state liquor ~~((control))~~ and cannabis board may, in its discretion, grant or deny the renewal or license applied for. Denial may be based on, without limitation, the existence of chronic illegal activity documented in objections submitted pursuant to subsections (7)(c) and (9) of this section. Authority to approve an uncontested or unopposed license may be granted by the state liquor ~~((control))~~ and cannabis board to any staff member the board

1 designates in writing. Conditions for granting this authority  
2 (~~shall~~) must be adopted by rule. No license of any kind may be  
3 issued to:

4 (a) A person under the age of twenty-one years;

5 (b) A person doing business as a sole proprietor who has not  
6 lawfully resided in the state for at least (~~three~~) six months prior  
7 to applying to receive a license;

8 (c) A partnership, employee cooperative, association, nonprofit  
9 corporation, or corporation unless formed under the laws of this  
10 state, and unless all of the members thereof are qualified to obtain  
11 a license as provided in this section; or

12 (d) A person whose place of business is conducted by a manager or  
13 agent, unless the manager or agent possesses the same qualifications  
14 required of the licensee.

15 (2)(a) The state liquor (~~control~~) and cannabis board may, in  
16 its discretion, subject to the provisions of RCW 69.50.334, suspend  
17 or cancel any license; and all protections of the licensee from  
18 criminal or civil sanctions under state law for producing,  
19 processing, researching, or selling marijuana, marijuana  
20 concentrates, useable marijuana, or marijuana-infused products  
21 thereunder (~~shall~~) must be suspended or terminated, as the case may  
22 be.

23 (b) The state liquor (~~control~~) and cannabis board (~~shall~~)  
24 must immediately suspend the license of a person who has been  
25 certified pursuant to RCW 74.20A.320 by the department of social and  
26 health services as a person who is not in compliance with a support  
27 order. If the person has continued to meet all other requirements for  
28 reinstatement during the suspension, reissuance of the license  
29 (~~shall be~~) is automatic upon the state liquor (~~control~~) and  
30 cannabis board's receipt of a release issued by the department of  
31 social and health services stating that the licensee is in compliance  
32 with the order.

33 (c) The state liquor (~~control~~) and cannabis board may request  
34 the appointment of administrative law judges under chapter 34.12 RCW  
35 who (~~shall~~) have power to administer oaths, issue subpoenas for the  
36 attendance of witnesses and the production of papers, books,  
37 accounts, documents, and testimony, examine witnesses, and to receive  
38 testimony in any inquiry, investigation, hearing, or proceeding in  
39 any part of the state, under rules and regulations the state liquor  
40 (~~control~~) and cannabis board may adopt.

1 (d) Witnesses (~~shall~~) must be allowed fees and mileage each way  
2 to and from any inquiry, investigation, hearing, or proceeding at the  
3 rate authorized by RCW 34.05.446. Fees need not be paid in advance of  
4 appearance of witnesses to testify or to produce books, records, or  
5 other legal evidence.

6 (e) In case of disobedience of any person to comply with the  
7 order of the state liquor (~~control~~) and cannabis board or a  
8 subpoena issued by the state liquor (~~control~~) and cannabis board,  
9 or any of its members, or administrative law judges, or on the  
10 refusal of a witness to testify to any matter regarding which he or  
11 she may be lawfully interrogated, the judge of the superior court of  
12 the county in which the person resides, on application of any member  
13 of the board or administrative law judge, shall compel obedience by  
14 contempt proceedings, as in the case of disobedience of the  
15 requirements of a subpoena issued from said court or a refusal to  
16 testify therein.

17 (3) Upon receipt of notice of the suspension or cancellation of a  
18 license, the licensee (~~shall forthwith~~) must deliver (~~up~~) the  
19 license to the state liquor (~~control~~) and cannabis board. Where the  
20 license has been suspended only, the state liquor (~~control~~) and  
21 cannabis board (~~shall~~) must return the license to the licensee at  
22 the expiration or termination of the period of suspension. The state  
23 liquor (~~control~~) and cannabis board (~~shall~~) must notify all other  
24 licensees in the county where the subject licensee has its premises  
25 of the suspension or cancellation of the license; and no other  
26 licensee or employee of another licensee may allow or cause any  
27 marijuana, marijuana concentrates, useable marijuana, or marijuana-  
28 infused products to be delivered to or for any person at the premises  
29 of the subject licensee.

30 (4) Every license issued under this chapter (~~(3, Laws of 2013~~  
31 ~~shall be)~~) is subject to all conditions and restrictions imposed by  
32 this chapter (~~(3, Laws of 2013)~~) or by rules adopted by the state  
33 liquor (~~control~~) and cannabis board to implement and enforce this  
34 chapter (~~(3, Laws of 2013)~~). All conditions and restrictions imposed  
35 by the state liquor (~~control~~) and cannabis board in the issuance of  
36 an individual license (~~shall~~) must be listed on the face of the  
37 individual license along with the trade name, address, and expiration  
38 date.

39 (5) Every licensee (~~shall~~) must post and keep posted its  
40 license, or licenses, in a conspicuous place on the premises.

1 (6) No licensee (~~shall~~) may employ any person under the age of  
2 twenty-one years.

3 (7)(a) Before the state liquor (~~control~~) and cannabis board  
4 issues a new or renewed license to an applicant it (~~shall~~) must  
5 give notice of the application to the chief executive officer of the  
6 incorporated city or town, if the application is for a license within  
7 an incorporated city or town, or to the county legislative authority,  
8 if the application is for a license outside the boundaries of  
9 incorporated cities or towns.

10 (b) The incorporated city or town through the official or  
11 employee selected by it, or the county legislative authority or the  
12 official or employee selected by it, (~~shall have~~) has the right to  
13 file with the state liquor (~~control~~) and cannabis board within  
14 twenty days after the date of transmittal of the notice for  
15 applications, or at least thirty days prior to the expiration date  
16 for renewals, written objections against the applicant or against the  
17 premises for which the new or renewed license is asked. The state  
18 liquor (~~control~~) and cannabis board may extend the time period for  
19 submitting written objections.

20 (c) The written objections (~~shall~~) must include a statement of  
21 all facts upon which the objections are based, and in case written  
22 objections are filed, the city or town or county legislative  
23 authority may request, and the state liquor (~~control~~) and cannabis  
24 board may in its discretion hold, a hearing subject to the applicable  
25 provisions of Title 34 RCW. If the state liquor (~~control~~) and  
26 cannabis board makes an initial decision to deny a license or renewal  
27 based on the written objections of an incorporated city or town or  
28 county legislative authority, the applicant may request a hearing  
29 subject to the applicable provisions of Title 34 RCW. If a hearing is  
30 held at the request of the applicant, state liquor (~~control~~) and  
31 cannabis board representatives (~~shall~~) must present and defend the  
32 state liquor (~~control~~) and cannabis board's initial decision to  
33 deny a license or renewal.

34 (d) Upon the granting of a license under this title the state  
35 liquor (~~control~~) and cannabis board (~~shall~~) must send written  
36 notification to the chief executive officer of the incorporated city  
37 or town in which the license is granted, or to the county legislative  
38 authority if the license is granted outside the boundaries of  
39 incorporated cities or towns.



1       (8)(a) Except as provided in (b) through (d) of this subsection,  
2 the state liquor (~~control~~) and cannabis board (~~shall~~) may not  
3 issue a license for any premises within one thousand feet of the  
4 perimeter of the grounds of any elementary or secondary school,  
5 playground, recreation center or facility, child care center, public  
6 park, public transit center, or library, or any game arcade admission  
7 to which is not restricted to persons aged twenty-one years or older.

8       (b) A city, county, or town may permit the licensing of premises  
9 within one thousand feet but not less than one hundred feet of the  
10 facilities described in (a) of this subsection, except elementary  
11 schools, secondary schools, and playgrounds, by enacting an ordinance  
12 authorizing such distance reduction, provided that such distance  
13 reduction will not negatively impact the jurisdiction's civil  
14 regulatory enforcement, criminal law enforcement interests, public  
15 safety, or public health.

16       (c) A city, county, or town may permit the licensing of research  
17 premises allowed under section 1001, chapter . . ., Laws of 2015  
18 (Senate Bill No. 5121) within one thousand feet but not less than one  
19 hundred feet of the facilities described in (a) of this subsection by  
20 enacting an ordinance authorizing such distance reduction, provided  
21 that the ordinance will not negatively impact the jurisdiction's  
22 civil regulatory enforcement, criminal law enforcement, public  
23 safety, or public health.

24       (d) The state liquor and cannabis board may license premises  
25 located in compliance with the distance requirements set in an  
26 ordinance adopted under (b) or (c) of this subsection. Before issuing  
27 or renewing a research license for premises within one thousand feet  
28 but not less than one hundred feet of an elementary school, secondary  
29 school, or playground in compliance with an ordinance passed pursuant  
30 to (c) of this subsection, the board must ensure that the facility:

31       (i) Meets a security standard exceeding that which applies to  
32 marijuana producer, processor, or retailer licensees;

33       (ii) Is inaccessible to the public and no part of the operation  
34 of the facility is in view of the general public; and

35       (iii) Bears no advertising or signage indicating that it is a  
36 marijuana research facility.

37       (9) In determining whether to grant or deny a license or renewal  
38 of any license, the state liquor (~~control~~) and cannabis board  
39 (~~shall~~) must give substantial weight to objections from an  
40 incorporated city or town or county legislative authority based upon

1 chronic illegal activity associated with the applicant's operations  
2 of the premises proposed to be licensed or the applicant's operation  
3 of any other licensed premises, or the conduct of the applicant's  
4 patrons inside or outside the licensed premises. "Chronic illegal  
5 activity" means (a) a pervasive pattern of activity that threatens  
6 the public health, safety, and welfare of the city, town, or county  
7 including, but not limited to, open container violations, assaults,  
8 disturbances, disorderly conduct, or other criminal law violations,  
9 or as documented in crime statistics, police reports, emergency  
10 medical response data, calls for service, field data, or similar  
11 records of a law enforcement agency for the city, town, county, or  
12 any other municipal corporation or any state agency; or (b) an  
13 unreasonably high number of citations for violations of RCW 46.61.502  
14 associated with the applicant's or licensee's operation of any  
15 licensed premises as indicated by the reported statements given to  
16 law enforcement upon arrest.

#### 17 **PART IV**

#### 18 **Consumption of Marijuana in a Public Place**

19 **Sec. 401.** RCW 69.50.445 and 2013 c 3 s 21 are each amended to  
20 read as follows:

21 (1) It is unlawful to open a package containing marijuana,  
22 useable marijuana, (~~or a~~) marijuana-infused products, or marijuana  
23 concentrates, or consume marijuana, useable marijuana, (~~or a~~)  
24 marijuana-infused products, or marijuana concentrates, in (~~view of~~  
25 the general)) a public place.

26 (2) For the purposes of this section, "public place" has the same  
27 meaning as defined in RCW 66.04.010, but the exclusions in RCW  
28 66.04.011 do not apply.

29 (3) A person who violates this section is guilty of a class 3  
30 civil infraction under chapter 7.80 RCW.

#### 31 **PART V**

#### 32 **Transportation of Marijuana Products**

33 NEW SECTION. **Sec. 501.** A new section is added to chapter 69.50  
34 RCW to read as follows:

35 (1) A licensed marijuana producer, marijuana processor, marijuana  
36 researcher, or marijuana retailer, or their employees, in accordance

1 with the requirements of this chapter and the administrative rules  
2 adopted thereunder, may use the services of a common carrier subject  
3 to regulation under chapters 81.28 and 81.29 RCW and licensed in  
4 compliance with the regulations established under section 502 of this  
5 act, to physically transport or deliver marijuana, useable marijuana,  
6 marijuana concentrates, and marijuana-infused products within the  
7 state.

8 (2) An employee of a common carrier engaged in marijuana-related  
9 transportation or delivery services authorized under subsection (1)  
10 of this section is prohibited from carrying or using a firearm during  
11 the course of providing such services, unless:

12 (a) Pursuant to section 502 of this act, the state liquor and  
13 cannabis board explicitly authorizes the carrying or use of firearms  
14 by such employee while engaged in the transportation or delivery  
15 services;

16 (b) The employee has an armed private security guard license  
17 issued pursuant to RCW 18.170.040; and

18 (c) The employee is in full compliance with the regulations  
19 established by the state liquor and cannabis board under section 502  
20 of this act.

21 (3) A common carrier licensed under section 502 of this act may,  
22 for the purpose of transporting and delivering marijuana, useable  
23 marijuana, marijuana concentrates, and marijuana-infused products,  
24 utilize Washington state ferry routes for such transportation and  
25 delivery.

26 (4) The possession of marijuana, useable marijuana, marijuana  
27 concentrates, and marijuana-infused products being physically  
28 transported or delivered within the state, in amounts not exceeding  
29 those that may be established under section 502(3) of this act, by a  
30 licensed employee of a common carrier when performing the duties  
31 authorized under, and in accordance with, this section and section  
32 502 of this act, is not a violation of this section, this chapter, or  
33 any other provision of Washington state law.

34 NEW SECTION. **Sec. 502.** A new section is added to chapter 69.50  
35 RCW to read as follows:

36 (1) The state liquor and cannabis board must adopt rules  
37 providing for an annual licensing procedure of a common carrier who  
38 seeks to transport or deliver marijuana, useable marijuana, marijuana  
39 concentrates, and marijuana-infused products within the state.

1 (2) The rules for licensing must:

2 (a) Establish criteria for considering the approval or denial of  
3 a common carrier's original application or renewal application;

4 (b) Provide minimum qualifications for any employee authorized to  
5 drive or operate the transportation or delivery vehicle, including a  
6 minimum age of at least twenty-one years;

7 (c) Address the safety of the employees transporting or  
8 delivering the products, including issues relating to the carrying of  
9 firearms by such employees;

10 (d) Address the security of the products being transported,  
11 including a system of electronically tracking all products at both  
12 the point of pickup and the point of delivery; and

13 (e) Set reasonable fees for the application and licensing  
14 process.

15 (3) The state liquor and cannabis board may adopt rules  
16 establishing the maximum amounts of marijuana, useable marijuana,  
17 marijuana concentrates, and marijuana-infused products that may be  
18 physically transported or delivered at one time by a common carrier  
19 as provided under section 501 of this act.

20 **Sec. 503.** RCW 69.50.4013 and 2013 c 3 s 20 are each amended to  
21 read as follows:

22 (1) It is unlawful for any person to possess a controlled  
23 substance unless the substance was obtained directly from, or  
24 pursuant to, a valid prescription or order of a practitioner while  
25 acting in the course of his or her professional practice, or except  
26 as otherwise authorized by this chapter.

27 (2) Except as provided in RCW 69.50.4014, any person who violates  
28 this section is guilty of a class C felony punishable under chapter  
29 9A.20 RCW.

30 (3)(a) The possession, by a person twenty-one years of age or  
31 older, of useable marijuana, marijuana concentrates, or marijuana-  
32 infused products in amounts that do not exceed those set forth in RCW  
33 69.50.360(3) is not a violation of this section, this chapter, or any  
34 other provision of Washington state law.

35 (b) The possession of marijuana, useable marijuana, marijuana  
36 concentrates, and marijuana-infused products being physically  
37 transported or delivered within the state, in amounts not exceeding  
38 those that may be established under section 502(3) of this act, by a  
39 licensed employee of a common carrier when performing the duties

1 authorized in accordance with sections 501 and 502 of this act, is  
2 not a violation of this section, this chapter, or any other provision  
3 of Washington state law.

4 **Sec. 504.** RCW 18.170.020 and 2007 c 154 s 2 are each amended to  
5 read as follows:

6 The requirements of this chapter do not apply to:

7 (1) A person who is employed exclusively or regularly by one  
8 employer and performs the functions of a private security guard  
9 solely in connection with the affairs of that employer, if the  
10 employer is not a private security company. However, in accordance  
11 with section 501 of this act, an employee engaged in marijuana-  
12 related transportation or delivery services on behalf of a common  
13 carrier must be licensed as an armed private security guard under  
14 this chapter in order to be authorized to carry or use a firearm  
15 while providing such services;

16 (2) A sworn peace officer while engaged in the performance of the  
17 officer's official duties;

18 (3) A sworn peace officer while employed by any person to engage  
19 in off-duty employment as a private security guard, but only if the  
20 employment is approved by the chief law enforcement officer of the  
21 jurisdiction where the employment takes place and the sworn peace  
22 officer does not employ, contract with, or broker for profit other  
23 persons to assist him or her in performing the duties related to his  
24 or her private employer; or

25 (4)(a) A person performing crowd management or guest services  
26 including, but not limited to, a person described as a ticket taker,  
27 usher, door attendant, parking attendant, crowd monitor, or event  
28 staff who:

29 ~~((a))~~ (i) Does not carry a firearm or other dangerous weapon  
30 including, but not limited to, a stun gun, taser, pepper mace, or  
31 nightstick;

32 ~~((b))~~ (ii) Does not wear a uniform or clothing readily  
33 identifiable by a member of the public as that worn by a private  
34 security officer or law enforcement officer; and

35 ~~((c))~~ (iii) Does not have as his or her primary responsibility  
36 the detainment of persons or placement of persons under arrest.

37 (b) The exemption provided in this subsection applies only when a  
38 crowd has assembled for the purpose of attending or taking part in an

1 organized event, including preevent assembly, event operation hours,  
2 and postevent departure activities.

3 **Sec. 505.** RCW 69.50.4014 and 2003 c 53 s 335 are each amended to  
4 read as follows:

5 Except as provided in RCW 69.50.401(2)(c) or as otherwise  
6 authorized by this chapter, any person found guilty of possession of  
7 forty grams or less of (~~marihuana~~) marijuana is guilty of a  
8 misdemeanor.

9 **PART VI**

10 **Funding for Marijuana Health Awareness Program**

11 **Sec. 601.** RCW 66.08.050 and 2014 c 63 s 3 are each amended to  
12 read as follows:

13 The board, subject to the provisions of this title and the rules,  
14 must:

15 (1) Determine the nature, form and capacity of all packages to be  
16 used for containing liquor kept for sale under this title;

17 (2) Execute or cause to be executed, all contracts, papers, and  
18 documents in the name of the board, under such regulations as the  
19 board may fix;

20 (3) Pay all customs, duties, excises, charges and obligations  
21 whatsoever relating to the business of the board;

22 (4) Require bonds from all employees in the discretion of the  
23 board, and to determine the amount of fidelity bond of each such  
24 employee;

25 (5) Perform services for the state lottery commission to such  
26 extent, and for such compensation, as may be mutually agreed upon  
27 between the board and the commission;

28 (6) Accept and deposit into the general fund-local account and  
29 disburse, subject to appropriation, federal grants or other funds or  
30 donations from any source for the purpose of improving public  
31 awareness of the health risks associated with alcohol and marijuana  
32 consumption by youth and the abuse of alcohol and marijuana by adults  
33 in Washington state. The board's alcohol awareness program must  
34 cooperate with federal and state agencies, interested organizations,  
35 and individuals to effect an active public beverage alcohol awareness  
36 program;

1 (7) Monitor and regulate the practices of licensees as necessary  
2 in order to prevent the theft and illegal trafficking of liquor  
3 pursuant to RCW 66.28.350;

4 (8) Perform all other matters and things, whether similar to the  
5 foregoing or not, to carry out the provisions of this title, and has  
6 full power to do each and every act necessary to the conduct of its  
7 regulatory functions, including all supplies procurement, preparation  
8 and approval of forms, and every other undertaking necessary to  
9 perform its regulatory functions whatsoever, subject only to audit by  
10 the state auditor. However, the board has no authority to regulate  
11 the content of spoken language on licensed premises where wine and  
12 other liquors are served and where there is not a clear and present  
13 danger of disorderly conduct being provoked by such language or to  
14 restrict advertising of lawful prices.

15 **PART VII**

16 **Cannabis Health and Beauty Aid Exemption**

17 NEW SECTION. **Sec. 701.** A new section is added to chapter 69.50  
18 RCW to read as follows:

19 (1) Cannabis health and beauty aids are not subject to the  
20 regulations and penalties of this chapter that apply to marijuana,  
21 marijuana concentrates, or marijuana-infused products.

22 (2) For purposes of this section, "cannabis health and beauty  
23 aid" means a product containing parts of the cannabis plant and  
24 which:

25 (a) Is intended for use only as a topical application to provide  
26 therapeutic benefit or to enhance appearance;

27 (b) Contains a THC concentration of not more than 0.3 percent;

28 (c) Does not cross the blood-brain barrier; and

29 (d) Is not intended for consumption by humans or animals.

30 **PART VIII**

31 **Signage and Public Notice Requirements**

32 NEW SECTION. **Sec. 801.** A new section is added to chapter 69.50  
33 RCW to read as follows:

34 (1) Applicants for a marijuana producer's, marijuana processor's,  
35 marijuana researcher's or marijuana retailer's license under this  
36 chapter must display a sign provided by the state liquor and cannabis

1 board on the outside of the premises to be licensed notifying the  
2 public that the premises are subject to an application for such  
3 license. The sign must:

4 (a) Contain text with content sufficient to notify the public of  
5 the nature of the pending license application, the date of the  
6 application, the name of the applicant, and contact information for  
7 the state liquor and cannabis board;

8 (b) Be conspicuously displayed on, or immediately adjacent to,  
9 the premises subject to the application and in the location that is  
10 most likely to be seen by the public;

11 (c) Be of a size sufficient to ensure that it will be readily  
12 seen by the public; and

13 (d) Be posted within seven business days of the submission of the  
14 application to the state liquor and cannabis board.

15 (2) The state liquor and cannabis board must adopt such rules as  
16 are necessary for the implementation of this section, including rules  
17 pertaining to the size of the sign and the text thereon, the textual  
18 content of the sign, the fee for providing the sign, and any other  
19 requirements necessary to ensure that the sign provides adequate  
20 notice to the public.

21 **PART IX**

22 **Marijuana-Infused Products and Concentrates**

23 **Sec. 901.** RCW 69.50.101 and 2014 c 192 s 1 are each amended to  
24 read as follows:

25 ~~((Unless the context clearly requires otherwise, definitions of~~  
26 ~~terms shall be as indicated where used in this chapter:)) The  
27 definitions in this section apply throughout this chapter unless the  
28 context clearly requires otherwise.~~

29 (a) "Administer" means to apply a controlled substance, whether  
30 by injection, inhalation, ingestion, or any other means, directly to  
31 the body of a patient or research subject by:

32 (1) a practitioner authorized to prescribe (or, by the  
33 practitioner's authorized agent); or

34 (2) the patient or research subject at the direction and in the  
35 presence of the practitioner.

36 (b) "Agent" means an authorized person who acts on behalf of or  
37 at the direction of a manufacturer, distributor, or dispenser. It



1 does not include a common or contract carrier, public  
2 warehouseperson, or employee of the carrier or warehouseperson.

3 (c) "Commission" means the pharmacy quality assurance commission.

4 (d) "Controlled substance" means a drug, substance, or immediate  
5 precursor included in Schedules I through V as set forth in federal  
6 or state laws, or federal or commission rules.

7 (e)(1) "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 (2) 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, to the  
27 extent conduct with respect to the substance is pursuant to the  
28 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 (f) "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 (g) "Department" means the department of health.

36 (h) "Dispense" means the interpretation of a prescription or  
37 order for a controlled substance and, pursuant to that prescription  
38 or order, the proper selection, measuring, compounding, labeling, or  
39 packaging necessary to prepare that prescription or order for  
40 delivery.

1 (i) "Dispenser" means a practitioner who dispenses.

2 (j) "Distribute" means to deliver other than by administering or  
3 dispensing a controlled substance.

4 (k) "Distributor" means a person who distributes.

5 (l) "Drug" means (1) a controlled substance recognized as a drug  
6 in the official United States pharmacopoeia/national formulary or the  
7 official homeopathic pharmacopoeia of the United States, or any  
8 supplement to them; (2) controlled substances intended for use in the  
9 diagnosis, cure, mitigation, treatment, or prevention of disease in  
10 individuals or animals; (3) controlled substances (other than food)  
11 intended to affect the structure or any function of the body of  
12 individuals or animals; and (4) controlled substances intended for  
13 use as a component of any article specified in (1), (2), or (3) of  
14 this subsection. The term does not include devices or their  
15 components, parts, or accessories.

16 (m) "Drug enforcement administration" means the drug enforcement  
17 administration in the United States Department of Justice, or its  
18 successor agency.

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

24 (o) "Immediate precursor" means a substance:

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

28 (2) that is an immediate chemical intermediary used or likely to  
29 be used in the manufacture of a controlled substance; and

30 (3) the control of which is necessary to prevent, curtail, or  
31 limit the manufacture of the controlled substance.

32 (p) "Isomer" means an optical isomer, but in subsection ((+z+))  
33 (bb)(5) of this section, RCW 69.50.204(a) (12) and (34), and  
34 69.50.206(b)(4), the term includes any geometrical isomer; in RCW  
35 69.50.204(a) (8) and (42), and 69.50.210(c) the term includes any  
36 positional isomer; and in RCW 69.50.204(a)(35), 69.50.204(c), and  
37 69.50.208(a) the term includes any positional or geometric isomer.

38 (q) "Lot" means a definite quantity of marijuana, useable  
39 marijuana, marijuana concentrates, or marijuana-infused product  
40 identified by a lot number, every portion or package of which is

1 uniform within recognized tolerances for the factors that appear in  
2 the labeling.

3 (r) "Lot number" (~~shall~~) must identify the licensee by business  
4 or trade name and Washington state unified business identifier  
5 number, and the date of harvest or processing for each lot of  
6 marijuana, useable marijuana, or marijuana-infused product.

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

16 (1) by a practitioner as an incident to the practitioner's  
17 administering or dispensing of a controlled substance in the course  
18 of the practitioner's professional practice; or

19 (2) by a practitioner, or by the practitioner's authorized agent  
20 under the practitioner's supervision, for the purpose of, or as an  
21 incident to, research, teaching, or chemical analysis and not for  
22 sale.

23 (t) "Marijuana" or "marihuana" means all parts of the plant  
24 Cannabis, whether growing or not, with a THC concentration greater  
25 than 0.3 percent on a dry weight basis; the seeds thereof; the resin  
26 extracted from any part of the plant; and every compound,  
27 manufacture, salt, derivative, mixture, or preparation of the plant,  
28 its seeds or resin. The term does not include the mature stalks of  
29 the plant, fiber produced from the stalks, oil or cake made from the  
30 seeds of the plant, any other compound, manufacture, salt,  
31 derivative, mixture, or preparation of the mature stalks (except the  
32 resin extracted therefrom), fiber, oil, or cake, or the sterilized  
33 seed of the plant which is incapable of germination.

34 (u) "Marijuana concentrates" means products consisting wholly or  
35 in part of the resin extracted from any part of the plant Cannabis  
36 and having a THC concentration greater than (~~sixty~~) ten percent.

37 (v) "Marijuana processor" means a person licensed by the state  
38 liquor (~~control~~) and cannabis board to process marijuana into  
39 useable marijuana, marijuana concentrates, and marijuana-infused  
40 products, package and label useable marijuana, marijuana

1 concentrates, and marijuana-infused products for sale in retail  
2 outlets, and sell useable marijuana, marijuana concentrates, and  
3 marijuana-infused products at wholesale to marijuana retailers.

4 (w) "Marijuana producer" means a person licensed by the state  
5 liquor ~~((control))~~ and cannabis board to produce and sell marijuana  
6 at wholesale to marijuana processors and other marijuana producers.

7 (x) "Marijuana products" means useable marijuana, marijuana  
8 concentrates, and marijuana-infused products as defined in this  
9 section.

10 (y) "Marijuana-infused products" means products that contain  
11 marijuana or marijuana extracts, are intended for human use, are  
12 derived from marijuana as defined in subsection (t) of this section,  
13 and have a THC concentration no greater than ~~((0.3))~~ ten percent  
14 ~~((and no greater than sixty percent)).~~ The term "marijuana-infused  
15 products" does not include either useable marijuana or marijuana  
16 concentrates.

17 ~~((+y))~~ (z) "Marijuana researcher" means a person licensed by the  
18 state liquor and cannabis board to produce, process, and possess  
19 marijuana for the purposes of conducting research on marijuana and  
20 marijuana-derived drug products.

21 (aa) "Marijuana retailer" means a person licensed by the state  
22 liquor ~~((control))~~ and cannabis board to sell useable marijuana,  
23 marijuana concentrates, and marijuana-infused products in a retail  
24 outlet.

25 ~~((+z))~~ (bb) "Narcotic drug" means any of the following, whether  
26 produced directly or indirectly by extraction from substances of  
27 vegetable origin, or independently by means of chemical synthesis, or  
28 by a combination of extraction and chemical synthesis:

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

34 (2) Synthetic opiate and any derivative of synthetic opiate,  
35 including their isomers, esters, ethers, salts, and salts of isomers,  
36 esters, and ethers, whenever the existence of the isomers, esters,  
37 ethers, and salts is possible within the specific chemical  
38 designation.

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

1 (4) Coca leaves, except coca leaves and extracts of coca leaves  
2 from which cocaine, ecgonine, and derivatives or ecgonine or their  
3 salts have been removed.

4 (5) Cocaine, or any salt, isomer, or salt of isomer thereof.

5 (6) Cocaine base.

6 (7) Ecgonine, or any derivative, salt, isomer, or salt of isomer  
7 thereof.

8 (8) Any compound, mixture, or preparation containing any quantity  
9 of any substance referred to in subparagraphs (1) through (7).

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

19 ~~((bb))~~ (dd) "Opium poppy" means the plant of the species  
20 *Papaver somniferum* L., except its seeds.

21 ~~((cc))~~ (ee) "Person" means individual, corporation, business  
22 trust, estate, trust, partnership, association, joint venture,  
23 government, governmental subdivision or agency, or any other legal or  
24 commercial entity.

25 ~~((dd))~~ (ff) "Poppy straw" means all parts, except the seeds, of  
26 the opium poppy, after mowing.

27 ~~((ee))~~ (gg) "Practitioner" means:

28 (1) A physician under chapter 18.71 RCW; a physician assistant  
29 under chapter 18.71A RCW; an osteopathic physician and surgeon under  
30 chapter 18.57 RCW; an osteopathic physician assistant under chapter  
31 18.57A RCW who is licensed under RCW 18.57A.020 subject to any  
32 limitations in RCW 18.57A.040; an optometrist licensed under chapter  
33 18.53 RCW who is certified by the optometry board under RCW 18.53.010  
34 subject to any limitations in RCW 18.53.010; a dentist under chapter  
35 18.32 RCW; a podiatric physician and surgeon under chapter 18.22 RCW;  
36 a veterinarian under chapter 18.92 RCW; a registered nurse, advanced  
37 registered nurse practitioner, or licensed practical nurse under  
38 chapter 18.79 RCW; a naturopathic physician under chapter 18.36A RCW  
39 who is licensed under RCW 18.36A.030 subject to any limitations in  
40 RCW 18.36A.040; a pharmacist under chapter 18.64 RCW or a scientific

1 investigator under this chapter, licensed, registered or otherwise  
2 permitted insofar as is consistent with those licensing laws to  
3 distribute, dispense, conduct research with respect to or administer  
4 a controlled substance in the course of their professional practice  
5 or research in this state.

6 (2) A pharmacy, hospital or other institution licensed,  
7 registered, or otherwise permitted to distribute, dispense, conduct  
8 research with respect to or to administer a controlled substance in  
9 the course of professional practice or research in this state.

10 (3) A physician licensed to practice medicine and surgery, a  
11 physician licensed to practice osteopathic medicine and surgery, a  
12 dentist licensed to practice dentistry, a podiatric physician and  
13 surgeon licensed to practice podiatric medicine and surgery, a  
14 licensed physician assistant or a licensed osteopathic physician  
15 assistant specifically approved to prescribe controlled substances by  
16 his or her state's medical quality assurance commission or equivalent  
17 and his or her supervising physician, an advanced registered nurse  
18 practitioner licensed to prescribe controlled substances, or a  
19 veterinarian licensed to practice veterinary medicine in any state of  
20 the United States.

21 ~~((ff))~~ (hh) "Prescription" means an order for controlled  
22 substances issued by a practitioner duly authorized by law or rule in  
23 the state of Washington to prescribe controlled substances within the  
24 scope of his or her professional practice for a legitimate medical  
25 purpose.

26 ~~((gg))~~ (ii) "Production" includes the manufacturing, planting,  
27 cultivating, growing, or harvesting of a controlled substance.

28 ~~((hh))~~ (jj) "Retail outlet" means a location licensed by the  
29 state liquor ~~((control))~~ and cannabis board for the retail sale of  
30 useable marijuana, marijuana concentrates, and marijuana-infused  
31 products.

32 ~~((ii))~~ (kk) "Secretary" means the secretary of health or the  
33 secretary's designee.

34 ~~((jj))~~ (ll) "State," unless the context otherwise requires,  
35 means a state of the United States, the District of Columbia, the  
36 Commonwealth of Puerto Rico, or a territory or insular possession  
37 subject to the jurisdiction of the United States.

38 ~~((kk))~~ (mm) "THC concentration" means percent of delta-9  
39 tetrahydrocannabinol content per dry weight of any part of the plant  
40 *Cannabis*, or per volume or weight of marijuana product, or the

1 combined percent of delta-9 tetrahydrocannabinol and  
2 tetrahydrocannabinolic acid in any part of the plant *Cannabis*  
3 regardless of moisture content.

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

9 ~~((mm))~~ (oo) "Useable marijuana" means dried marijuana flowers.  
10 The term "useable marijuana" does not include either marijuana-  
11 infused products or marijuana concentrates.

## 12 PART X

### 13 Dedicated Marijuana Account

14 **Sec. 1001.** RCW 69.50.530 and 2013 c 3 s 26 are each amended to  
15 read as follows:

16 ~~((1) There shall be a fund, known as the dedicated marijuana  
17 fund, which shall consist of all marijuana excise taxes, license  
18 fees, penalties, forfeitures, and all other moneys, income, or  
19 revenue received by the state liquor control board from marijuana-  
20 related activities. The state treasurer shall be custodian of the  
21 fund.~~

22 ~~(2))~~ The dedicated marijuana account is created in the state  
23 treasury. All moneys received by the state liquor ~~((control))~~ and  
24 cannabis board, or any employee thereof, from marijuana-related  
25 activities ~~((shall))~~ must be deposited ~~((each day in a depository  
26 approved by the state treasurer and transferred to the state  
27 treasurer to be credited to the dedicated marijuana fund.~~

28 ~~(3) Disbursements from the dedicated marijuana fund shall be on  
29 authorization of the state liquor control board or a duly authorized  
30 representative thereof))~~ in the account. Unless otherwise provided in  
31 this act, all marijuana excise taxes collected from sales of  
32 marijuana, useable marijuana, marijuana concentrates, and marijuana-  
33 infused products under RCW 69.50.535, and the license fees,  
34 penalties, and forfeitures derived under this chapter from marijuana  
35 producer, marijuana processor, marijuana researcher, and marijuana  
36 retailer licenses, must be deposited in the account. Moneys in the  
37 account may only be spent after appropriation.

1 **PART XI**

2 **Synthetic Cannabinoids and Bath Salts**

3 NEW SECTION. **Sec. 1101.** A new section is added to chapter 69.50  
4 RCW to read as follows:

5 (1) It is an unfair or deceptive practice under RCW 19.86.020 for  
6 any person or entity to distribute, dispense, manufacture, display  
7 for sale, offer for sale, attempt to sell, or sell to a purchaser any  
8 product that contains any amount of any synthetic cannabinoid,  
9 cathinone, or methcathinone as identified in RCW 69.50.204(e) (3) and  
10 (5). The legislature finds that practices covered by this section are  
11 matters vitally affecting the public interest for the purpose of  
12 applying the consumer protection act, chapter 19.86 RCW. Violations  
13 of this section are not reasonable in relation to the development and  
14 preservation of business.

15 (2) "Synthetic cannabinoid" includes any chemical compound  
16 identified in RCW 69.50.204(c)(30) or by the pharmacy quality  
17 assurance commission under RCW 69.50.201.

18 **Sec. 1102.** RCW 69.50.204 and 2010 c 177 s 2 are each amended to  
19 read as follows:

20 Unless specifically excepted by state or federal law or  
21 regulation or more specifically included in another schedule, the  
22 following controlled substances are listed in Schedule I:

23 (a) Any of the following opiates, including their isomers,  
24 esters, ethers, salts, and salts of isomers, esters, and ethers  
25 whenever the existence of these isomers, esters, ethers, and salts is  
26 possible within the specific chemical designation:

27 (1) Acetyl-alpha-methylfentanyl (N-[1-(1-methyl-2-phenethyl)-4-  
28 piperidinyl]-N-phenylacetamide);

29 (2) Acetylmethadol;

30 (3) Allylprodine;

31 (4) Alphacetylmethadol, except levo-alphacetylmethadol, also  
32 known as levo-alpha-acetylmethadol, levomethadyl acetate, or LAAM;

33 (5) Alphameprodine;

34 (6) Alphamethadol;

35 (7) Alpha-methylfentanyl (N-[1-(alpha-methyl-beta-phenyl)  
36 ethyl-4-piperidyl] propionanilide); (1-(1-methyl-2-phenylethyl)-4-(N-  
37 propanilido) piperidine);



1 (8) Alpha-methylthiofentanyl (N-[1-methyl-2-(2-thienyl)ethyl-4-  
2 piperidinyl]-N-phenylpropanamide);  
3 (9) Benzethidine;  
4 (10) Betacetylmethadol;  
5 (11) Beta-hydroxyfentanyl (N-[1-(2-hydroxy-2-phenethyl)-4-  
6 piperidinyl]-N-phenylpropanamide);  
7 (12) Beta-hydroxy-3-methylfentanyl, some trade or other names: N-  
8 [1-(2-hydrox-2-phenethyl)-3-methyl-4-piperidinyl]-N-  
9 phenylpropanamide;  
10 (13) Betameprodine;  
11 (14) Betamethadol;  
12 (15) Betaprodine;  
13 (16) Clonitazene;  
14 (17) Dextromoramide;  
15 (18) Diampromide;  
16 (19) Diethylthiambutene;  
17 (20) Difenoxin;  
18 (21) Dimenoxadol;  
19 (22) Dimepheptanol;  
20 (23) Dimethylthiambutene;  
21 (24) Dioxaphetyl butyrate;  
22 (25) Dipipanone;  
23 (26) Ethylmethylthiambutene;  
24 (27) Etonitazene;  
25 (28) Etoxidine;  
26 (29) Furethidine;  
27 (30) Hydroxypethidine;  
28 (31) Ketobemidone;  
29 (32) Levomoramide;  
30 (33) Levophenacilmorphan;  
31 (34) 3-Methylfentanyl (N-[3-methyl-1-(2-phenylethyl)-4-  
32 piperidyl]-N-phenylprop anamide);  
33 (35) 3-Methylthiofentanyl (N-[(3-methyl-1-(2-thienyl)ethyl-4-  
34 piperidinyl]-N-phenylpropanamide);  
35 (36) Morpheridine;  
36 (37) MPPP (1-methyl-4-phenyl-4-propionoxypiperidine);  
37 (38) Noracymethadol;  
38 (39) Norlevorphanol;  
39 (40) Normethadone;  
40 (41) Norpipanone;

- 1           (42)           Para-fluorofentanyl           (N-(4-fluorophenyl)-N-[1-(2-  
2 phenethyl)-4-piperidinyl] propanamide);
- 3           (43) PEPAP(1-(-2-phenethyl)-4-phenyl-4-acetoxypiperidine);
- 4           (44) Phenadoxone;
- 5           (45) Phenampromide;
- 6           (46) Phenomorphan;
- 7           (47) Phenoperidine;
- 8           (48) Piritramide;
- 9           (49) Proheptazine;
- 10          (50) Properidine;
- 11          (51) Propiram;
- 12          (52) Racemoramide;
- 13          (53) Thiofentanyl (N-phenyl-N-[1-(2-thienyl)ethyl-4-piperidinyl]-  
14 propanamide);
- 15          (54) Tilidine;
- 16          (55) Trimeperidine.
- 17          (b) Opium derivatives. Unless specifically excepted or unless  
18 listed in another schedule, any of the following opium derivatives,  
19 including their salts, isomers, and salts of isomers whenever the  
20 existence of those salts, isomers, and salts of isomers is possible  
21 within the specific chemical designation:
- 22          (1) Acetorphine;
- 23          (2) Acetyldihydrocodeine;
- 24          (3) Benzylmorphine;
- 25          (4) Codeine methylbromide;
- 26          (5) Codeine-N-Oxide;
- 27          (6) Cyprenorphine;
- 28          (7) Desomorphine;
- 29          (8) Dihydromorphine;
- 30          (9) Drotebanol;
- 31          (10) Etorphine, except hydrochloride salt;
- 32          (11) Heroin;
- 33          (12) Hydromorphanol;
- 34          (13) Methyldesorphine;
- 35          (14) Methyldihydromorphine;
- 36          (15) Morphine methylbromide;
- 37          (16) Morphine methylsulfonate;
- 38          (17) Morphine-N-Oxide;
- 39          (18) Myrophine;
- 40          (19) Nicocodeine;

- 1 (20) Nicomorphine;
- 2 (21) Normorphine;
- 3 (22) Pholcodine;
- 4 (23) Thebacon.

5 (c) Hallucinogenic substances. Unless specifically excepted or  
6 unless listed in another schedule, any material, compound, mixture,  
7 or preparation which contains any quantity of the following  
8 hallucinogenic substances, including their salts, isomers, and salts  
9 of isomers whenever the existence of those salts, isomers, and salts  
10 of isomers is possible within the specific chemical designation. For  
11 the purposes of this subsection only, the term "isomer" includes the  
12 optical, position, and geometric isomers:

13 (1) Alpha-ethyltryptamine: Some trade or other names:  
14 Etryptamine; monase; a-ethyl-1H-indole-3-ethanamine; 3-(2-aminobutyl)  
15 indole; a-ET; and AET;

16 (2) 4-bromo-2,5-dimethoxy-amphetamine: Some trade or other names:  
17 4-bromo-2,5-dimethoxy-a-methylphenethylamine; 4-bromo-2,5-DMA;

18 (3) 4-bromo-2,5-dimethoxyphenethylamine: Some trade or other  
19 names: 2-(4-bromo-2,5-dimethoxyphenyl)-1-aminoethane; alpha-desmethyl  
20 DOB; 2C-B, nexus;

21 (4) 2,5-dimethoxyamphetamine: Some trade or other names: 2,5-  
22 dimethoxy-a-methylphenethylamine; 2,5-DMA;

23 (5) 2,5-dimethoxy-4-ethylamphetamine (DOET);

24 (6) 2,5-dimethoxy-4-(n)-propylthiophenethylamine: Other name:  
25 2C-T-7;

26 (7) 4-methoxyamphetamine: Some trade or other names: 4-methoxy-a-  
27 methylphenethylamine; paramethoxyamphetamine, PMA;

28 (8) 5-methoxy-3,4-methylenedioxy-amphetamine;

29 (9) 4-methyl-2,5-dimethoxy-amphetamine: Some trade and other  
30 names: 4-methyl-2,5-dimethoxy-a-methylphenethylamine; "DOM"; and  
31 "STP";

32 (10) 3,4-methylenedioxy amphetamine;

33 (11) 3,4-methylenedioxymethamphetamine (MDMA);

34 (12) 3,4-methylenedioxy-N-ethylamphetamine, also known as N-  
35 ethyl-alpha-methyl-3,4(methylenedioxy)phenethylamine, N-ethyl MDA,  
36 MDE, MDEA;

37 (13) N-hydroxy-3,4-methylenedioxyamphetamine also known as  
38 N-hydroxy-alpha-methyl-3,4(methylenedioxy)phenethylamine, N-hydroxy  
39 MDA;

40 (14) 3,4,5-trimethoxy amphetamine;

- 1 (15) Alpha-methyltryptamine: Other name: AMT;
- 2 (16) Bufotenine: Some trade or other names: 3-(beta-  
3 Dimethylaminoethyl)-5-hydroxindole; 3-(2-dimethylaminoethyl)-5-  
4 indolol; N, N-dimethylserotonin; 5-hydroxy-N,N-dimethyltryptamine;  
5 mappine;
- 6 (17) Diethyltryptamine: Some trade or other names: N,N-  
7 Diethyltryptamine; DET;
- 8 (18) Dimethyltryptamine: Some trade or other names: DMT;
- 9 (19) 5-methoxy-N,N-diisopropyltryptamine: Other name: 5-MeO-DIPT;
- 10 (20) Ibogaine: Some trade or other names: 7-Ethyl-6,6 beta,  
11 7,8,9,10,12,13,-octahydro-2-methoxy-6,9-methano-5H-pyndo (1',2' 1,2)  
12 azepino (5,4-b) indole; Tabernanthe iboga;
- 13 (21) Lysergic acid diethylamide;
- 14 (22) Marihuana or marijuana;
- 15 (23) Mescaline;
- 16 (24) Parahexyl-7374: Some trade or other names: 3-Hexyl-1-  
17 hydroxy-7, 8, 9, 10-tetrahydro-6, 6, 9-trimethyl-6H-  
18 dibenzo[b,d]pyran; synhexyl;
- 19 (25) Peyote, meaning all parts of the plant presently classified  
20 botanically as Lophophora Williamsii Lemaire, whether growing or not,  
21 the seeds thereof, any extract from any part of such plant, and every  
22 compound, manufacture, salts, derivative, mixture, or preparation of  
23 such plant, its seeds, or extracts; (interprets 21 U.S.C. Sec. 812  
24 (c), Schedule I (c)(12));
- 25 (26) N-ethyl-3-piperidyl benzilate;
- 26 (27) N-methyl-3-piperidyl benzilate;
- 27 (28) Psilocybin;
- 28 (29) Psilocyn;
- 29 (30) Tetrahydrocannabinols, meaning tetrahydrocannabinols  
30 naturally contained in a plant of the genus Cannabis (cannabis  
31 plant), as well as synthetic equivalents of the substances contained  
32 in the plant, or in the resinous extractives of Cannabis, species,  
33 and/or synthetic substances, derivatives, and their isomers with  
34 similar chemical structure and pharmacological activity such as the  
35 following:
- 36 (i) 1 - cis - or trans tetrahydrocannabinol, and their optical  
37 isomers, excluding tetrahydrocannabinol in sesame oil and  
38 encapsulated in a soft gelatin capsule in a drug product approved by  
39 the United States Food and Drug Administration;

1 (ii) 6 - cis - or trans tetrahydrocannabinol, and their optical  
2 isomers;

3 (iii) 3,4 - cis - or trans tetrahydrocannabinol, and its optical  
4 isomers; or

5 (iv) That is chemically synthesized and either:

6 (a) Has been demonstrated to have binding activity at one or more  
7 cannabinoid receptors; or

8 (b) Is a chemical analog or isomer of a compound that has been  
9 demonstrated to have binding activity at one or more cannabinoid  
10 receptors;

11 (Since nomenclature of these substances is not internationally  
12 standardized, compounds of these structures, regardless of numerical  
13 designation of atomic positions covered.)

14 (31) Ethylamine analog of phencyclidine: Some trade or other  
15 names: N-ethyl-1phenylcyclohexylamine, (1-phenylcyclohexyl)  
16 ethylamine; N-(1-phenylcyclohexyl)ethylamine; cyclohexamine; PCE;

17 (32) Pyrrolidine analog of phencyclidine: Some trade or other  
18 names: 1-(1-phenylcyclohexyl)pyrrolidine; PCPy; PHP;

19 (33) Thiophene analog of phencyclidine: Some trade or other  
20 names: 1-(1-[2-thienyl]-cyclohexyl)-piperidine; 2-thienyl analog of  
21 phencyclidine; TPCP; TCP;

22 (34) 1-[1-(2-thienyl)cyclohexyl]pyrrolidine: A trade or other  
23 name is TCPy.

24 (d) Depressants. Unless specifically excepted or unless listed in  
25 another schedule, any material, compound, mixture, or preparation  
26 which contains any quantity of the following substances having a  
27 depressant effect on the central nervous system, including its salts,  
28 isomers, and salts of isomers whenever the existence of such salts,  
29 isomers, and salts of isomers is possible within the specific  
30 chemical designation.

31 (1) Gamma-hydroxybutyric acid: Some other names include GHB;  
32 gamma-hydroxybutyrate; 4-hydroxybutyrate; 4-hydroxybutanoic acid;  
33 sodium oxybate; sodium oxybutyrate;

34 (2) Mecloqualone;

35 (3) Methaqualone.

36 (e) Stimulants. Unless specifically excepted or unless listed in  
37 another schedule, any material, compound, mixture, or preparation  
38 which contains any quantity of the following substances having a  
39 stimulant effect on the central nervous system, including its salts,  
40 isomers, and salts of isomers:

- 1 (1) Aminorex: Some other names: aminoxaphen; 2-amino-5-phenyl-2-  
2 oxazoline; or 4, 5-dihydro-5-phenly-2-oxazolamine;
- 3 (2) N-Benzylpiperazine: Some other names: BZP, 1-benzylpiperazine;
- 4 (3) Cathinone, also known as 2-amino-1-phenyl-1-propanone,  
5 alpha-aminopropiophenone, 2-aminopropiophenone and norephedrone;
- 6 (4) Fenethylamine;
- 7 (5) Methcathinone: Some other names: 2-(methylamino)-  
8 propiophenone; alpha-(methylamino)propiophenone; 2-(methylamino)-1-  
9 phenylpropan-1-one; alpha-N-methylaminopropiophenone;  
10 monomethylpropion; ephedrone; N-methylcathinone; methylcathinone;  
11 AL-464; AL-422; AL-463 and UR1432, its salts, optical isomers, and  
12 salts of optical isomers;
- 13 (6) (+-)-cis-4-methylaminorex ((+)-cis-4,5-dihydro-4-methyl-5-  
14 phenyl-2-oxazolamine);
- 15 (7) N-ethylamphetamine;
- 16 (8) N,N-dimethylamphetamine: Some trade or other names: N,N-  
17 alpha-trimethyl-benzeneethanamine; N,N-alpha-trimethylphenoethylene.
- 18 The controlled substances in this section may be added,  
19 rescheduled, or deleted as provided for in RCW 69.50.201.

20 **Sec. 1103.** RCW 69.50.430 and 2003 c 53 s 345 are each amended to  
21 read as follows:

22 (1) Every person convicted of a felony violation of RCW 69.50.401  
23 through 69.50.4013, 69.50.4015, 69.50.402, 69.50.403, 69.50.406,  
24 69.50.407, 69.50.410, or 69.50.415 shall be fined one thousand  
25 dollars in addition to any other fine or penalty imposed. Unless the  
26 court finds the person to be indigent, this additional fine (~~shall~~)  
27 may not be suspended or deferred by the court.

28 (2) On a second or subsequent conviction for violation of any of  
29 the laws listed in subsection (1) of this section, the person  
30 (~~shall~~) must be fined two thousand dollars in addition to any other  
31 fine or penalty imposed. Unless the court finds the person to be  
32 indigent, this additional fine (~~shall~~) may not be suspended or  
33 deferred by the court.

34 (3) In addition to any other civil or criminal penalty, every  
35 person who violates or causes another to violate RCW 69.50.401 by  
36 distributing, dispensing, manufacturing, displaying for sale,  
37 offering for sale, attempting to sell, or selling to a purchaser any  
38 product that contains any amount of any synthetic cannabinoid,  
39 cathinone, or methcathinone, as identified in RCW 69.50.204, must be

1 fined not less than ten thousand dollars and not more than five  
2 hundred thousand dollars. If, however, the person who violates or  
3 causes another to violate RCW 69.50.401 by distributing, dispensing,  
4 manufacturing, displaying for sale, offering for sale, attempting to  
5 sell, or selling any product that contains any amount of any  
6 synthetic cannabinoid, cathinone, or methcathinone, as identified in  
7 RCW 69.50.204, to a purchaser under the age of eighteen, the minimum  
8 penalty is twenty-five thousand dollars if the person is at least two  
9 years older than the minor. Unless the court finds the person to be  
10 indigent, this additional fine may not be suspended or deferred by  
11 the court.

12 **PART XII**

13 **Restricting Certain Methods of Selling Marijuana**

14 NEW SECTION. Sec. 1201. A new section is added to chapter 69.50  
15 RCW to read as follows:

16 (1) A retailer licensed under this chapter may use a vending  
17 machine for the retail sale of useable marijuana, marijuana  
18 concentrates, and marijuana-infused products, subject to approval  
19 from the board prior to the installation or use of the machine in the  
20 licensed premises.

21 (2) The board is granted general authority to adopt rules  
22 necessary for the implementation of this section, including, but not  
23 limited to, rules governing:

24 (a) The operational characteristics of the vending machines;

25 (b) Identification and age verification processes and  
26 requirements for customers who make purchases from the machines;

27 (c) The location of vending machines within the licensed premises  
28 and measures to prevent access to the machines by persons under age  
29 21;

30 (d) The types and quantities of marijuana-related products that  
31 may be purchased from the vending machines; and

32 (e) Signs and labeling that must be affixed to vending machines  
33 pertaining to public health and safety notifications, legal warnings  
34 and requirements, and other disclosures and information as deemed  
35 necessary by the board.

36 (3) The products sold through vending machines, and the use of  
37 such machines, must comply with the pertinent provisions of this

1 chapter regarding the retail sale of useable marijuana, marijuana  
2 concentrates, and marijuana-infused products.

3 (4) For the purposes of this section, "vending machine" means a  
4 machine or other mechanical device that accepts payment and:

5 (a) Dispenses tangible personal property; or

6 (b) Provides a service to the buyer.

7 NEW SECTION. **Sec. 1202.** A new section is added to chapter 69.50  
8 RCW to read as follows:

9 (1) A retailer licensed under this chapter is prohibited from  
10 operating a drive-through purchase facility where marijuana  
11 concentrates, marijuana-infused products, or useable marijuana are  
12 sold at retail and dispensed through a window or door to a purchaser  
13 who is either in or on a motor vehicle or otherwise located outside  
14 of the licensed premises at the time of sale.

15 (2) The state liquor and cannabis board may not issue, transfer,  
16 or renew a marijuana retail license for any licensee in violation of  
17 the provisions of subsection (1) of this section.

18 **PART XIII**  
19 **Marijuana Clubs**

20 NEW SECTION. **Sec. 1301.** A new section is added to chapter 69.50  
21 RCW to read as follows:

22 (1)(a) Except as provided in (b) of this subsection, in any  
23 location maintained or conducted as a public place, an agent,  
24 servant, or employee of such public place is not allowed to:

25 (i) Keep, or allow to be kept by any person, any marijuana; and

26 (ii) Consume or use marijuana or allow any consumption or use of  
27 marijuana by any person.

28 (b) The sale or consumption of marijuana in any location  
29 maintained or conducted as a public place is only allowed if  
30 authorized by a valid license for such public place issued by the  
31 board.

32 (2) Except as permitted under a valid license issued by the  
33 board, it is unlawful for any person to: Conduct or maintain a  
34 marijuana club by himself or herself or by associating with others;  
35 or in any manner aid, assist, or abet in conducting or maintaining a  
36 marijuana club.



1 (3) The definitions in this subsection apply throughout this  
2 section unless the context clearly requires otherwise.

3 (a) "Marijuana club" means a club or association operating for  
4 profit or otherwise that conducts or maintains premises for the  
5 primary or incidental purpose of providing a location where members  
6 or other persons may keep or consume marijuana on the premises.

7 (b) "Public place" means, in addition to the definition provided  
8 in RCW 66.04.010, any place to which admission is charged or for  
9 which any pecuniary gain is realized by the owner or operator of such  
10 place.

11 (4) Any person operating a marijuana club is required to be  
12 licensed by the board under this section or this chapter. Any person  
13 operating a marijuana club, or engaging in activities requiring a  
14 license under this chapter, without having a valid license issued by  
15 the board is guilty of a class C felony punishable under chapter  
16 9A.20 RCW.

17 (5) Within the discretion of the board, there shall be a  
18 marijuana club license to conduct or maintain a marijuana club. No  
19 marijuana club may operate unless validly licensed under this section  
20 or chapter. The board may opt not to issue licenses under this  
21 section.

22 (6) The board may adopt rules and set fees as necessary to  
23 implement this section.

#### 24 PART XIV

#### 25 Miscellaneous Provisions

26 **Sec. 1401.** RCW 69.50.342 and 2013 c 3 s 9 are each amended to  
27 read as follows:

28 For the purpose of carrying into effect the provisions of chapter  
29 3, Laws of 2013 according to their true intent or of supplying any  
30 deficiency therein, the state liquor (~~control~~) and cannabis board  
31 may adopt rules not inconsistent with the spirit of chapter 3, Laws  
32 of 2013 as are deemed necessary or advisable. Without limiting the  
33 generality of the preceding sentence, the state liquor (~~control~~)  
34 and cannabis board is empowered to adopt rules regarding the  
35 following:

36 (1) The equipment and management of retail outlets and premises  
37 where marijuana is produced or processed, and inspection of the  
38 retail outlets and premises;

1 (2) The books and records to be created and maintained by  
2 licensees, the reports to be made thereon to the state liquor  
3 (~~control~~) and cannabis board, and inspection of the books and  
4 records;

5 (3) Methods of producing, processing, and packaging marijuana,  
6 useable marijuana, and marijuana-infused products; conditions of  
7 sanitation; and standards of ingredients, quality, and identity of  
8 marijuana, useable marijuana, and marijuana-infused products  
9 produced, processed, packaged, or sold by licensees;

10 (4) Security requirements for retail outlets and premises where  
11 marijuana is produced or processed, and safety protocols for  
12 licensees and their employees;

13 (5) Screening, hiring, training, and supervising employees of  
14 licensees;

15 (6) Retail outlet locations and hours of operation;

16 (7) Labeling requirements and restrictions on advertisement of  
17 marijuana, useable marijuana, (~~and~~) marijuana concentrates,  
18 marijuana-infused products, and cannabis health and beauty aids;

19 (8) Forms to be used for purposes of chapter 3, Laws of 2013 or  
20 the rules adopted to implement and enforce it, the terms and  
21 conditions to be contained in licenses issued under chapter 3, Laws  
22 of 2013, and the qualifications for receiving a license issued under  
23 chapter 3, Laws of 2013, including a criminal history record  
24 information check. The state liquor (~~control~~) and cannabis board  
25 may submit any criminal history record information check to the  
26 Washington state patrol and to the identification division of the  
27 federal bureau of investigation in order that these agencies may  
28 search their records for prior arrests and convictions of the  
29 individual or individuals who filled out the forms. The state liquor  
30 (~~control~~) and cannabis board (~~shall~~) must require fingerprinting  
31 of any applicant whose criminal history record information check is  
32 submitted to the federal bureau of investigation;

33 (9) Application, reinstatement, and renewal fees for licenses  
34 issued under chapter 3, Laws of 2013, and fees for anything done or  
35 permitted to be done under the rules adopted to implement and enforce  
36 chapter 3, Laws of 2013;

37 (10) The manner of giving and serving notices required by chapter  
38 3, Laws of 2013 or rules adopted to implement or enforce it;

1 (11) Times and periods when, and the manner, methods, and means  
2 by which, licensees (~~shall~~) must transport and deliver marijuana,  
3 useable marijuana, and marijuana-infused products within the state;

4 (12) Identification, seizure, confiscation, destruction, or  
5 donation to law enforcement for training purposes of all marijuana,  
6 useable marijuana, and marijuana-infused products produced,  
7 processed, sold, or offered for sale within this state which do not  
8 conform in all respects to the standards prescribed by chapter 3,  
9 Laws of 2013 or the rules adopted to implement and enforce it:  
10 PROVIDED, That nothing in chapter 3, Laws of 2013 (~~shall~~) may be  
11 construed as authorizing the state liquor (~~control~~) and cannabis  
12 board to seize, confiscate, destroy, or donate to law enforcement  
13 marijuana, useable marijuana, or marijuana-infused products produced,  
14 processed, sold, offered for sale, or possessed in compliance with  
15 the Washington state medical use of cannabis act, chapter 69.51A RCW.

16 NEW SECTION. Sec. 1402. RCW 69.50.425 (Misdemeanor violations—  
17 Minimum penalties) and 2002 c 175 s 44 & 1989 c 271 s 105 are each  
18 repealed.

19 NEW SECTION. Sec. 1403. (1) Subject to appropriation, if, in  
20 addition to any distributions required by section 206 of this act,  
21 funding of at least six million dollars per fiscal year for fiscal  
22 years 2016 and 2017 is not provided by June 30, 2015, in the omnibus  
23 appropriations act for distribution to local governments for  
24 marijuana enforcement, this section is null and void. The  
25 appropriation in the omnibus appropriations act must reference this  
26 section by bill and section number. Distributions to local  
27 governments are based on the distribution formula in subsection (2)  
28 of this section.

29 (2)(a) The distribution amount allocated to each county,  
30 including the portion for eligible cities within the county, is  
31 ratably based on the total amount of taxable sales of marijuana  
32 products subject to the marijuana excise tax under RCW 69.50.535 in  
33 the prior fiscal year within the county, including all taxable sales  
34 attributable to the incorporated areas within the county.  
35 Distribution amounts allocated to each county, and eligible cities  
36 within the county, must be distributed in four installments by the  
37 last day of each fiscal quarter as follows.

1 (b) Sixty percent must be distributed to each county, except  
2 where there is no eligible city with taxable sales of marijuana  
3 products in the prior fiscal year, in which case the county must  
4 receive one hundred percent of the distribution amount allocated to  
5 the county as determined in (a) of this subsection. A county in which  
6 the producing, processing, or retailing of marijuana products is  
7 prohibited in the unincorporated area of the county is not entitled  
8 to a distribution and the distribution amount must be distributed  
9 instead to the eligible cities within the county as provided in (c)  
10 of this subsection.

11 (c) After making any distribution to counties as provided in (b)  
12 of this subsection, the treasurer must distribute the remaining  
13 amount to eligible cities within the counties. The share to each  
14 eligible city within a county must be determined by a division among  
15 the eligible cities within each county ratably based on total sales,  
16 from the prior fiscal year, of all marijuana products subject to the  
17 marijuana excise tax under RCW 69.50.535 within the boundaries of  
18 each eligible city located within the county. "Eligible city" means  
19 any city or town in which sales of marijuana products are  
20 attributable to a marijuana retailer, as defined in RCW 69.50.101,  
21 located within the boundaries of the city or town.

22 (d) By September 15th of each year, the state liquor and cannabis  
23 board must provide the state treasurer the annual distribution  
24 amount, if any, for each county and city as determined in subsection  
25 (2) of this section.

26 NEW SECTION. **Sec. 1404.** (1) Except for part V of this act, this  
27 act is necessary for the immediate preservation of the public peace,  
28 health, or safety, or support of the state government and its  
29 existing public institutions, and take effect July 1, 2015.

30 (2) Part V of this act takes effect October 1, 2015."

**E2SHB 2136** - S COMM AMD  
By Committee on Ways & Means

31 On page 1, line 3 of the title, after "state;" strike the  
32 remainder of the title and insert "amending RCW 69.50.334, 69.50.357,  
33 69.50.369, 69.50.535, 69.50.540, 69.50.331, 69.50.445, 69.50.4013,  
34 18.170.020, 69.50.4014, 66.08.050, 69.50.101, 69.50.530, 69.50.204,  
35 69.50.430, and 69.50.342; adding new sections to chapter 69.50 RCW;

1 adding a new section to chapter 82.08 RCW; adding a new section to  
2 chapter 82.12 RCW; creating new sections; repealing RCW 69.50.425;  
3 prescribing penalties; making appropriations; providing effective  
4 dates; and declaring an emergency."

EFFECT: (1) Licensed marijuana retailers may use a vending machine for the retail sale of useable marijuana, marijuana concentrates, and marijuana-infused products, with prior approval from the LCB. LCB may adopt rules to implement this provision.

(2) Licensed marijuana retailers are prohibited from operating a drive-through purchase facility.

(3) It is a class C felony to operate an unlicensed marijuana club, defined as a club or association that conducts or maintains premises for individuals with the primary or incidental purpose of keeping or consuming marijuana on the premises. LCB may adopt rules and establish fees regarding marijuana clubs and has the discretion whether to license such facilities.

(4) Removes provisions passed in other bills relating to licensing of marijuana research facilities and the naming of the Liquor and Cannabis Board. Corrects additional internal references to the Board.

(5) Removes the sunset clause on distributions to local governments.

(6) Removes the preemption language and local voting requirement related to prohibitions on marijuana businesses.

(7) Raises the marijuana excise tax for retail sales from 30% to 37%.

(8) Provides up to \$1.8 million annually to the Department of Commerce for funding community mobilization entities.

(9) Counties with moratoria may only receive 20% of the distribution funds they would have received with no moratoria if they have cities or towns within them that have retail stores.

(10) Adds prohibitions on distribution of synthetic cannabinoids and salts (ESB 5673 as amended by house committee).

(11) Distributions to agencies are "up to" specified percentage amounts with minimum dollar levels.

(12) Adds a July 1, 2015, effective date for the sections and the new sections added to the bill.

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