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HOUSE BILL 2365

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State of Washington

64th Legislature

2016 Regular Session

By Representatives Wylie, Hurst, Fitzgibbon, S. Hunt, McBride, Kirby, Condotta, Moeller, and Buys

Read first time 01/11/16. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to allowing marijuana retailers to sell marijuana  
2 merchandise; amending RCW 69.50.357, 69.50.342, and 69.50.345;  
3 reenacting and amending RCW 69.50.101; and providing an effective  
4 date.

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

6 **Sec. 1.** RCW 69.50.357 and 2015 2nd sp.s. c 4 s 203 are each  
7 amended to read as follows:

8 (1) Retail outlets may not sell products or services other than  
9 marijuana concentrates, useable marijuana, marijuana-infused  
10 products, marijuana merchandise, or paraphernalia intended for the  
11 storage or use of marijuana concentrates, useable marijuana, or  
12 marijuana-infused products.

13 (2) Licensed marijuana retailers may not employ persons under  
14 twenty-one years of age or allow persons under twenty-one years of  
15 age to enter or remain on the premises of a retail outlet. However,  
16 qualifying patients between eighteen and twenty-one years of age with  
17 a recognition card may enter and remain on the premises of a retail  
18 outlet holding a medical marijuana endorsement and may purchase  
19 products for their personal medical use. Qualifying patients who are  
20 under the age of eighteen with a recognition card and who accompany  
21 their designated providers may enter and remain on the premises of a

1 retail outlet holding a medical marijuana endorsement, but may not  
2 purchase products for their personal medical use.

3 (3)(a) Licensed marijuana retailers must ensure that all  
4 employees are trained on the rules adopted to implement this chapter,  
5 identification of persons under the age of twenty-one, and other  
6 requirements adopted by the state liquor and cannabis board to ensure  
7 that persons under the age of twenty-one are not permitted to enter  
8 or remain on the premises of a retail outlet.

9 (b) Licensed marijuana retailers with a medical marijuana  
10 endorsement must ensure that all employees are trained on the  
11 subjects required by (a) of this subsection as well as identification  
12 of authorizations and recognition cards. Employees must also be  
13 trained to permit qualifying patients who hold recognition cards and  
14 are between the ages of eighteen and twenty-one to enter the premises  
15 and purchase marijuana for their personal medical use and to permit  
16 qualifying patients who are under the age of eighteen with a  
17 recognition card to enter the premises if accompanied by their  
18 designated providers.

19 (4) Licensed marijuana retailers may not display any signage  
20 outside of the licensed premises, other than two signs identifying  
21 the retail outlet by the licensee's business or trade name. Each sign  
22 must be no larger than one thousand six hundred square inches, be  
23 permanently affixed to a building or other structure, and be posted  
24 not less than one thousand feet from any elementary school, secondary  
25 school, or playground.

26 (5) No licensed marijuana retailer or employee of a retail outlet  
27 may open or consume, or allow to be opened or consumed, any marijuana  
28 concentrates, useable marijuana, or marijuana-infused product on the  
29 outlet premises.

30 (6) The state liquor and cannabis board must fine a licensee one  
31 thousand dollars for each violation of any subsection of this  
32 section. Fines collected under this section must be deposited into  
33 the dedicated marijuana account created under RCW 69.50.530.

34 **Sec. 2.** RCW 69.50.101 and 2015 2nd sp.s. c 4 s 901 are each  
35 reenacted and amended to read as follows:

36 The definitions in this section apply throughout this chapter  
37 unless the context clearly requires otherwise.

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

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

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

8 (b) "Agent" means an authorized person who acts on behalf of or  
9 at the direction of a manufacturer, distributor, or dispenser. It  
10 does not include a common or contract carrier, public  
11 warehouseperson, or employee of the carrier or warehouseperson.

12 (c) "CBD concentration" has the meaning provided in RCW  
13 69.51A.010.

14 (d) "Commission" means the pharmacy quality assurance commission.

15 (e) "Controlled substance" means a drug, substance, or immediate  
16 precursor included in Schedules I through V as set forth in federal  
17 or state laws, or federal or commission rules.

18 (f)(1) "Controlled substance analog" means a substance the  
19 chemical structure of which is substantially similar to the chemical  
20 structure of a controlled substance in Schedule I or II and:

21 (i) that has a stimulant, depressant, or hallucinogenic effect on  
22 the central nervous system substantially similar to the stimulant,  
23 depressant, or hallucinogenic effect on the central nervous system of  
24 a controlled substance included in Schedule I or II; or

25 (ii) with respect to a particular individual, that the individual  
26 represents or intends to have a stimulant, depressant, or  
27 hallucinogenic effect on the central nervous system substantially  
28 similar to the stimulant, depressant, or hallucinogenic effect on the  
29 central nervous system of a controlled substance included in Schedule  
30 I or II.

31 (2) The term does not include:

32 (i) a controlled substance;

33 (ii) a substance for which there is an approved new drug  
34 application;

35 (iii) a substance with respect to which an exemption is in effect  
36 for investigational use by a particular person under Section 505 of  
37 the federal Food, Drug and Cosmetic Act, 21 U.S.C. Sec. 355, to the  
38 extent conduct with respect to the substance is pursuant to the  
39 exemption; or

1 (iv) any substance to the extent not intended for human  
2 consumption before an exemption takes effect with respect to the  
3 substance.

4 (g) "Deliver" or "delivery((τ))" means the actual or constructive  
5 transfer from one person to another of a substance, whether or not  
6 there is an agency relationship.

7 (h) "Department" means the department of health.

8 (i) "Designated provider" has the meaning provided in RCW  
9 69.51A.010.

10 (j) "Dispense" means the interpretation of a prescription or  
11 order for a controlled substance and, pursuant to that prescription  
12 or order, the proper selection, measuring, compounding, labeling, or  
13 packaging necessary to prepare that prescription or order for  
14 delivery.

15 (k) "Dispenser" means a practitioner who dispenses.

16 (l) "Distribute" means to deliver other than by administering or  
17 dispensing a controlled substance.

18 (m) "Distributor" means a person who distributes.

19 (n) "Drug" means (1) a controlled substance recognized as a drug  
20 in the official United States pharmacopoeia/national formulary or the  
21 official homeopathic pharmacopoeia of the United States, or any  
22 supplement to them; (2) controlled substances intended for use in the  
23 diagnosis, cure, mitigation, treatment, or prevention of disease in  
24 individuals or animals; (3) controlled substances (other than food)  
25 intended to affect the structure or any function of the body of  
26 individuals or animals; and (4) controlled substances intended for  
27 use as a component of any article specified in (1), (2), or (3) of  
28 this subsection. The term does not include devices or their  
29 components, parts, or accessories.

30 (o) "Drug enforcement administration" means the drug enforcement  
31 administration in the United States Department of Justice, or its  
32 successor agency.

33 (p) "Electronic communication of prescription information" means  
34 the transmission of a prescription or refill authorization for a drug  
35 of a practitioner using computer systems. The term does not include a  
36 prescription or refill authorization verbally transmitted by  
37 telephone nor a facsimile manually signed by the practitioner.

38 (q) "Immediate precursor" means a substance:

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

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

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

8 (r) "Isomer" means an optical isomer, but in subsection (~~(dd)~~)  
9 (ee)(5) of this section, RCW 69.50.204(a) (12) and (34), and  
10 69.50.206(b)(4), the term includes any geometrical isomer; in RCW  
11 69.50.204(a) (8) and (42), and 69.50.210(c) the term includes any  
12 positional isomer; and in RCW 69.50.204(a)(35), 69.50.204(c), and  
13 69.50.208(a) the term includes any positional or geometric isomer.

14 (s) "Lot" means a definite quantity of marijuana, marijuana  
15 concentrates, useable marijuana, or marijuana-infused product  
16 identified by a lot number, every portion or package of which is  
17 uniform within recognized tolerances for the factors that appear in  
18 the labeling.

19 (t) "Lot number" must identify the licensee by business or trade  
20 name and Washington state unified business identifier number, and the  
21 date of harvest or processing for each lot of marijuana, marijuana  
22 concentrates, useable marijuana, or marijuana-infused product.

23 (u) "Manufacture" means the production, preparation, propagation,  
24 compounding, conversion, or processing of a controlled substance,  
25 either directly or indirectly or by extraction from substances of  
26 natural origin, or independently by means of chemical synthesis, or  
27 by a combination of extraction and chemical synthesis, and includes  
28 any packaging or repackaging of the substance or labeling or  
29 relabeling of its container. The term does not include the  
30 preparation, compounding, packaging, repackaging, labeling, or  
31 relabeling of a controlled substance:

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

35 (2) by a practitioner, or by the practitioner's authorized agent  
36 under the practitioner's supervision, for the purpose of, or as an  
37 incident to, research, teaching, or chemical analysis and not for  
38 sale.

39 (v) "Marijuana" or "marihuana" means all parts of the plant  
40 *Cannabis*, whether growing or not, with a THC concentration greater

1 than 0.3 percent on a dry weight basis; the seeds thereof; the resin  
2 extracted from any part of the plant; and every compound,  
3 manufacture, salt, derivative, mixture, or preparation of the plant,  
4 its seeds or resin. The term does not include the mature stalks of  
5 the plant, fiber produced from the stalks, oil or cake made from the  
6 seeds of the plant, any other compound, manufacture, salt,  
7 derivative, mixture, or preparation of the mature stalks (except the  
8 resin extracted therefrom), fiber, oil, or cake, or the sterilized  
9 seed of the plant which is incapable of germination.

10 (w) "Marijuana concentrates" means products consisting wholly or  
11 in part of the resin extracted from any part of the plant *Cannabis*  
12 and having a THC concentration greater than ten percent.

13 (x) "Marijuana merchandise" means wearable apparel that serves to  
14 promote or advertise the retail outlet, or a product line sold by the  
15 retail outlet, and that has labeling affixed to the wearable apparel  
16 that includes:

17 (1) The retail outlet's name, logo, or other symbol associated  
18 with the retail outlet; or

19 (2) A name, logo, or other symbol associated with a product line  
20 sold by the retail outlet.

21 (y) "Marijuana processor" means a person licensed by the state  
22 liquor and cannabis board to process marijuana into marijuana  
23 concentrates, useable marijuana, and marijuana-infused products,  
24 package and label marijuana concentrates, useable marijuana, and  
25 marijuana-infused products for sale in retail outlets, and sell  
26 marijuana concentrates, useable marijuana, and marijuana-infused  
27 products at wholesale to marijuana retailers.

28 ~~((y))~~ (z) "Marijuana producer" means a person licensed by the  
29 state liquor and cannabis board to produce and sell marijuana at  
30 wholesale to marijuana processors and other marijuana producers.

31 ~~((z))~~ (aa) "Marijuana products" means useable marijuana,  
32 marijuana concentrates, and marijuana-infused products as defined in  
33 this section.

34 ~~((aa))~~ (bb) "Marijuana researcher" means a person licensed by  
35 the state liquor and cannabis board to produce, process, and possess  
36 marijuana for the purposes of conducting research on marijuana and  
37 marijuana-derived drug products.

38 ~~((bb))~~ (cc) "Marijuana retailer" means a person licensed by the  
39 state liquor and cannabis board to sell marijuana concentrates,  
40 useable marijuana, and marijuana-infused products in a retail outlet.

1       (~~(ee)~~) (dd) "Marijuana-infused products" means products that  
2 contain marijuana or marijuana extracts, are intended for human use,  
3 are derived from marijuana as defined in subsection (v) of this  
4 section, and have a THC concentration no greater than ten percent.  
5 The term "marijuana-infused products" does not include either useable  
6 marijuana or marijuana concentrates.

7       (~~(dd)~~) (ee) "Narcotic drug" means any of the following, whether  
8 produced directly or indirectly by extraction from substances of  
9 vegetable origin, or independently by means of chemical synthesis, or  
10 by a combination of extraction and chemical synthesis:

11       (1) Opium, opium derivative, and any derivative of opium or opium  
12 derivative, including their salts, isomers, and salts of isomers,  
13 whenever the existence of the salts, isomers, and salts of isomers is  
14 possible within the specific chemical designation. The term does not  
15 include the isoquinoline alkaloids of opium.

16       (2) Synthetic opiate and any derivative of synthetic opiate,  
17 including their isomers, esters, ethers, salts, and salts of isomers,  
18 esters, and ethers, whenever the existence of the isomers, esters,  
19 ethers, and salts is possible within the specific chemical  
20 designation.

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

22       (4) Coca leaves, except coca leaves and extracts of coca leaves  
23 from which cocaine, ecgonine, and derivatives or ecgonine or their  
24 salts have been removed.

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

26       (6) Cocaine base.

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

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

31       (~~(ee)~~) (ff) "Opiate" means any substance having an addiction-  
32 forming or addiction-sustaining liability similar to morphine or  
33 being capable of conversion into a drug having addiction-forming or  
34 addiction-sustaining liability. The term includes opium, substances  
35 derived from opium (opium derivatives), and synthetic opiates. The  
36 term does not include, unless specifically designated as controlled  
37 under RCW 69.50.201, the dextrorotatory isomer of 3-methoxy-n-  
38 methylmorphinan and its salts (dextromethorphan). The term includes  
39 the racemic and levorotatory forms of dextromethorphan.

1       (~~(ff)~~) (gg) "Opium poppy" means the plant of the species  
2 Papaver somniferum L., except its seeds.

3       (~~(gg)~~) (hh) "Person" means individual, corporation, business  
4 trust, estate, trust, partnership, association, joint venture,  
5 government, governmental subdivision or agency, or any other legal or  
6 commercial entity.

7       (~~(hh)~~) (ii) "Plant" has the meaning provided in RCW 69.51A.010.

8       (~~(ii)~~) (jj) "Poppy straw" means all parts, except the seeds, of  
9 the opium poppy, after mowing.

10       (~~(jj)~~) (kk) "Practitioner" means:

11       (1) A physician under chapter 18.71 RCW; a physician assistant  
12 under chapter 18.71A RCW; an osteopathic physician and surgeon under  
13 chapter 18.57 RCW; an osteopathic physician assistant under chapter  
14 18.57A RCW who is licensed under RCW 18.57A.020 subject to any  
15 limitations in RCW 18.57A.040; an optometrist licensed under chapter  
16 18.53 RCW who is certified by the optometry board under RCW 18.53.010  
17 subject to any limitations in RCW 18.53.010; a dentist under chapter  
18 18.32 RCW; a podiatric physician and surgeon under chapter 18.22 RCW;  
19 a veterinarian under chapter 18.92 RCW; a registered nurse, advanced  
20 registered nurse practitioner, or licensed practical nurse under  
21 chapter 18.79 RCW; a naturopathic physician under chapter 18.36A RCW  
22 who is licensed under RCW 18.36A.030 subject to any limitations in  
23 RCW 18.36A.040; a pharmacist under chapter 18.64 RCW or a scientific  
24 investigator under this chapter, licensed, registered or otherwise  
25 permitted insofar as is consistent with those licensing laws to  
26 distribute, dispense, conduct research with respect to or administer  
27 a controlled substance in the course of their professional practice  
28 or research in this state.

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

33       (3) A physician licensed to practice medicine and surgery, a  
34 physician licensed to practice osteopathic medicine and surgery, a  
35 dentist licensed to practice dentistry, a podiatric physician and  
36 surgeon licensed to practice podiatric medicine and surgery, a  
37 licensed physician assistant or a licensed osteopathic physician  
38 assistant specifically approved to prescribe controlled substances by  
39 his or her state's medical quality assurance commission or equivalent  
40 and his or her supervising physician, an advanced registered nurse



1 practitioner licensed to prescribe controlled substances, or a  
2 veterinarian licensed to practice veterinary medicine in any state of  
3 the United States.

4 ~~((kk))~~ (ll) "Prescription" means an order for controlled  
5 substances issued by a practitioner duly authorized by law or rule in  
6 the state of Washington to prescribe controlled substances within the  
7 scope of his or her professional practice for a legitimate medical  
8 purpose.

9 ~~((ll))~~ (mm) "Production" includes the manufacturing, planting,  
10 cultivating, growing, or harvesting of a controlled substance.

11 ~~((mm))~~ (nn) "Qualifying patient" has the meaning provided in  
12 RCW 69.51A.010.

13 ~~((nn))~~ (oo) "Recognition card" has the meaning provided in RCW  
14 69.51A.010.

15 ~~((oo))~~ (pp) "Retail outlet" means a location licensed by the  
16 state liquor and cannabis board for the retail sale of marijuana  
17 concentrates, useable marijuana, and marijuana-infused products.

18 ~~((pp))~~ (qq) "Secretary" means the secretary of health or the  
19 secretary's designee.

20 ~~((qq))~~ (rr) "State," unless the context otherwise requires,  
21 means a state of the United States, the District of Columbia, the  
22 Commonwealth of Puerto Rico, or a territory or insular possession  
23 subject to the jurisdiction of the United States.

24 ~~((rr))~~ (ss) "THC concentration" means percent of delta-9  
25 tetrahydrocannabinol content per dry weight of any part of the plant  
26 *Cannabis*, or per volume or weight of marijuana product, or the  
27 combined percent of delta-9 tetrahydrocannabinol and  
28 tetrahydrocannabinolic acid in any part of the plant *Cannabis*  
29 regardless of moisture content.

30 ~~((ss))~~ (tt) "Ultimate user" means an individual who lawfully  
31 possesses a controlled substance for the individual's own use or for  
32 the use of a member of the individual's household or for  
33 administering to an animal owned by the individual or by a member of  
34 the individual's household.

35 ~~((tt))~~ (uu) "Useable marijuana" means dried marijuana flowers.  
36 The term "useable marijuana" does not include either marijuana-  
37 infused products or marijuana concentrates.

38 **Sec. 3.** RCW 69.50.342 and 2015 2nd sp.s. c 4 s 1601 are each  
39 amended to read as follows:

1 (1) For the purpose of carrying into effect the provisions of  
2 chapter 3, Laws of 2013 according to their true intent or of  
3 supplying any deficiency therein, the state liquor and cannabis board  
4 may adopt rules not inconsistent with the spirit of chapter 3, Laws  
5 of 2013 as are deemed necessary or advisable. Without limiting the  
6 generality of the preceding sentence, the state liquor and cannabis  
7 board is empowered to adopt rules regarding the following:

8 (a) The equipment and management of retail outlets and premises  
9 where marijuana is produced or processed, and inspection of the  
10 retail outlets and premises where marijuana is produced or processed;

11 (b) The books and records to be created and maintained by  
12 licensees, the reports to be made thereon to the state liquor and  
13 cannabis board, and inspection of the books and records;

14 (c) Methods of producing, processing, and packaging marijuana,  
15 useable marijuana, marijuana concentrates, and marijuana-infused  
16 products; conditions of sanitation; safe handling requirements;  
17 approved pesticides and pesticide testing requirements; and standards  
18 of ingredients, quality, and identity of marijuana, useable  
19 marijuana, marijuana concentrates, and marijuana-infused products  
20 produced, processed, packaged, or sold by licensees;

21 (d) Security requirements for retail outlets and premises where  
22 marijuana is produced or processed, and safety protocols for  
23 licensees and their employees;

24 (e) Screening, hiring, training, and supervising employees of  
25 licensees;

26 (f) Retail outlet locations and hours of operation;

27 (g) Labeling requirements and restrictions on advertisement of  
28 marijuana, useable marijuana, marijuana concentrates, cannabis health  
29 and beauty aids, and marijuana-infused products for sale in retail  
30 outlets;

31 (h) Retail product design and marketing standards for marijuana  
32 merchandise and other products sold by licensed retailers;

33 (i) Forms to be used for purposes of this chapter and chapter  
34 69.51A RCW or the rules adopted to implement and enforce these  
35 chapters, the terms and conditions to be contained in licenses issued  
36 under this chapter and chapter 69.51A RCW, and the qualifications for  
37 receiving a license issued under this chapter and chapter 69.51A RCW,  
38 including a criminal history record information check. The state  
39 liquor and cannabis board may submit any criminal history record  
40 information check to the Washington state patrol and to the

1 identification division of the federal bureau of investigation in  
2 order that these agencies may search their records for prior arrests  
3 and convictions of the individual or individuals who filled out the  
4 forms. The state liquor and cannabis board must require  
5 fingerprinting of any applicant whose criminal history record  
6 information check is submitted to the federal bureau of  
7 investigation;

8 ~~((i))~~ (j) Application, reinstatement, and renewal fees for  
9 licenses issued under this chapter and chapter 69.51A RCW, and fees  
10 for anything done or permitted to be done under the rules adopted to  
11 implement and enforce this chapter and chapter 69.51A RCW;

12 ~~((j))~~ (k) The manner of giving and serving notices required by  
13 this chapter and chapter 69.51A RCW or rules adopted to implement or  
14 enforce these chapters;

15 ~~((k))~~ (l) Times and periods when, and the manner, methods, and  
16 means by which, licensees transport and deliver marijuana, marijuana  
17 concentrates, useable marijuana, and marijuana-infused products  
18 within the state;

19 ~~((l))~~ (m) Identification, seizure, confiscation, destruction,  
20 or donation to law enforcement for training purposes of all  
21 marijuana, marijuana concentrates, useable marijuana, and marijuana-  
22 infused products produced, processed, sold, or offered for sale  
23 within this state which do not conform in all respects to the  
24 standards prescribed by this chapter or chapter 69.51A RCW or the  
25 rules adopted to implement and enforce these chapters.

26 (2) Rules adopted on retail outlets holding medical marijuana  
27 endorsements must be adopted in coordination and consultation with  
28 the department.

29 **Sec. 4.** RCW 69.50.345 and 2015 c 70 s 8 are each amended to read  
30 as follows:

31 The state liquor and cannabis board, subject to the provisions of  
32 this chapter, must adopt rules that establish the procedures and  
33 criteria necessary to implement the following:

34 (1) Licensing of marijuana producers, marijuana processors, and  
35 marijuana retailers, including prescribing forms and establishing  
36 application, reinstatement, and renewal fees.

37 (a) Application forms for marijuana producers must request the  
38 applicant to state whether the applicant intends to produce marijuana  
39 for sale by marijuana retailers holding medical marijuana

1 endorsements and the amount of or percentage of canopy the applicant  
2 intends to commit to growing plants determined by the department  
3 under RCW 69.50.375 to be of a THC concentration, CBD concentration,  
4 or THC to CBD ratio appropriate for marijuana concentrates, useable  
5 marijuana, or marijuana-infused products sold to qualifying patients.

6 (b) The state liquor and cannabis board must reconsider and  
7 increase limits on the amount of square feet permitted to be in  
8 production on July 24, 2015, and increase the percentage of  
9 production space for those marijuana producers who intend to grow  
10 plants for marijuana retailers holding medical marijuana endorsements  
11 if the marijuana producer designates the increased production space  
12 to plants determined by the department under RCW 69.50.375 to be of a  
13 THC concentration, CBD concentration, or THC to CBD ratio appropriate  
14 for marijuana concentrates, useable marijuana, or marijuana-infused  
15 products to be sold to qualifying patients. If current marijuana  
16 producers do not use all the increased production space, the state  
17 liquor and cannabis board may reopen the license period for new  
18 marijuana producer license applicants but only to those marijuana  
19 producers who agree to grow plants for marijuana retailers holding  
20 medical marijuana endorsements. Priority in licensing must be given  
21 to marijuana producer license applicants who have an application  
22 pending on July 24, 2015, but who are not yet licensed and then to  
23 new marijuana producer license applicants. After January 1, 2017, any  
24 reconsideration of the limits on the amount of square feet permitted  
25 to be in production to meet the medical needs of qualifying patients  
26 must consider information contained in the medical marijuana  
27 authorization database established in RCW 69.51A.230;

28 (2) Determining, in consultation with the office of financial  
29 management, the maximum number of retail outlets that may be licensed  
30 in each county, taking into consideration:

31 (a) Population distribution;

32 (b) Security and safety issues;

33 (c) The provision of adequate access to licensed sources of  
34 marijuana concentrates, useable marijuana, and marijuana-infused  
35 products to discourage purchases from the illegal market; and

36 (d) The number of retail outlets holding medical marijuana  
37 endorsements necessary to meet the medical needs of qualifying  
38 patients. The state liquor and cannabis board must reconsider and  
39 increase the maximum number of retail outlets it established before  
40 July 24, 2015, and allow for a new license application period and a

1 greater number of retail outlets to be permitted in order to  
2 accommodate the medical needs of qualifying patients and designated  
3 providers. After January 1, 2017, any reconsideration of the maximum  
4 number of retail outlets needed to meet the medical needs of  
5 qualifying patients must consider information contained in the  
6 medical marijuana authorization database established in RCW  
7 69.51A.230;

8 (3) Determining the maximum quantity of marijuana a marijuana  
9 producer may have on the premises of a licensed location at any time  
10 without violating Washington state law;

11 (4) Determining the maximum quantities of marijuana, marijuana  
12 concentrates, useable marijuana, and marijuana-infused products a  
13 marijuana processor may have on the premises of a licensed location  
14 at any time without violating Washington state law;

15 (5) Determining the maximum quantities of marijuana concentrates,  
16 useable marijuana, and marijuana-infused products a marijuana  
17 retailer may have on the premises of a retail outlet at any time  
18 without violating Washington state law;

19 (6) In making the determinations required by this section, the  
20 state liquor and cannabis board shall take into consideration:

21 (a) Security and safety issues;

22 (b) The provision of adequate access to licensed sources of  
23 marijuana, marijuana concentrates, useable marijuana, and marijuana-  
24 infused products to discourage purchases from the illegal market; and

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

28 (7) Determining the nature, form, and capacity of all containers  
29 to be used by licensees to contain marijuana, marijuana concentrates,  
30 useable marijuana, and marijuana-infused products, and their labeling  
31 requirements, to include but not be limited to:

32 (a) The business or trade name and Washington state unified  
33 business identifier number of the licensees that processed and sold  
34 the marijuana, marijuana concentrates, useable marijuana, or  
35 marijuana-infused product;

36 (b) Lot numbers of the marijuana, marijuana concentrates, useable  
37 marijuana, or marijuana-infused product;

38 (c) THC concentration and CBD concentration of the marijuana,  
39 marijuana concentrates, useable marijuana, or marijuana-infused  
40 product;

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

3 (e) Language required by RCW 69.04.480;

4 (8) In consultation with the department of agriculture and the  
5 department, establishing classes of marijuana, marijuana  
6 concentrates, useable marijuana, and marijuana-infused products  
7 according to grade, condition, cannabinoid profile, THC  
8 concentration, CBD concentration, or other qualitative measurements  
9 deemed appropriate by the state liquor and cannabis board;

10 (9) Establishing reasonable time, place, and manner restrictions  
11 and requirements regarding advertising of marijuana, marijuana  
12 concentrates, useable marijuana, and marijuana-infused products that  
13 are not inconsistent with the provisions of this chapter, taking into  
14 consideration:

15 (a) Federal laws relating to marijuana that are applicable within  
16 Washington state;

17 (b) Minimizing exposure of people under twenty-one years of age  
18 to the advertising;

19 (c) The inclusion of medically and scientifically accurate  
20 information about the health and safety risks posed by marijuana use  
21 in the advertising; and

22 (d) Ensuring that retail outlets with medical marijuana  
23 endorsements may advertise themselves as medical retail outlets;

24 (10) Establishing retail product design and marketing standards  
25 to ensure that marijuana merchandise and other products sold by  
26 licensed retailers are not intended to appeal to minors or otherwise  
27 encourage marijuana use by minors;

28 (11) Specifying and regulating the time and periods when, and the  
29 manner, methods, and means by which, licensees shall transport and  
30 deliver marijuana, marijuana concentrates, useable marijuana, and  
31 marijuana-infused products within the state;

32 ~~((11))~~ (12) In consultation with the department and the  
33 department of agriculture, establishing accreditation requirements  
34 for testing laboratories used by licensees to demonstrate compliance  
35 with standards adopted by the state liquor and cannabis board, and  
36 prescribing methods of producing, processing, and packaging  
37 marijuana, marijuana concentrates, useable marijuana, and marijuana-  
38 infused products; conditions of sanitation; and standards of  
39 ingredients, quality, and identity of marijuana, marijuana

1 concentrates, useable marijuana, and marijuana-infused products  
2 produced, processed, packaged, or sold by licensees;

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

10 NEW SECTION. **Sec. 5.** This act takes effect July 1, 2016.

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