
SUBSTITUTE HOUSE BILL 2368

State of Washington

64th Legislature

2016 Regular Session

By House Commerce & Gaming (originally sponsored by Representatives Hurst and Condotta)

READ FIRST TIME 02/05/16.

1 AN ACT Relating to creating a two-year pilot program authorizing
2 up to five qualified licensed marijuana retailers to deliver
3 marijuana to Washington residents in a city with a population of over
4 six hundred fifty thousand; creating new sections; prescribing
5 penalties; and providing an expiration date.

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

7 NEW SECTION. **Sec. 1.** (1) There is created a temporary pilot
8 program for the issuance of a marijuana delivery endorsement to an
9 existing marijuana retailer's license that allows an endorsement
10 holder to deliver marijuana to a Washington resident age twenty-one
11 or over at a private residence consistent with this act.

12 (2)(a) The liquor and cannabis board is authorized to issue
13 marijuana delivery endorsements to qualified licensed marijuana
14 retailers pursuant to this act. The total number of endorsements to
15 be issued under the pilot program is subject to the discretion of the
16 board after considering the qualifications of the applicants and the
17 overall characteristics of the commercial marijuana market in the
18 pilot program city. If a licensed marijuana retailer's marijuana
19 delivery endorsement is forfeited pursuant to section 2 of this act,
20 the board may reissue the endorsement to another qualified marijuana
21 retailer.

1 (b) The board shall determine the fee charged to a licensed
2 marijuana retailer for the delivery endorsement authorized under this
3 section by reference to the costs of administering the program in
4 relation to the total number of licensed marijuana retailers
5 receiving the endorsement. In setting the fee, the board shall
6 require each endorsement holder to pay an amount equivalent to a pro
7 rata share of the program costs.

8 (3)(a) A marijuana delivery endorsement to a marijuana retailer's
9 license authorizes a licensed marijuana retailer to operate a service
10 that sells and delivers useable marijuana, marijuana-infused
11 products, and marijuana concentrates from the licensed marijuana
12 retail outlet to a Washington resident at a private residence
13 consistent with this act and chapter 69.50 RCW.

14 (b) In operating a residential delivery service for marijuana
15 products under this section, a licensed marijuana retailer may not
16 employ more than two delivery persons per work shift.

17 (4) The liquor and cannabis board may issue a marijuana delivery
18 endorsement pursuant to this act only to qualified licensed marijuana
19 retailers located in a city that has a population of over six hundred
20 fifty thousand and that has created a municipal regulatory license
21 for marijuana businesses.

22 (5) Consistent with this act, a licensed marijuana retailer with
23 a marijuana delivery endorsement may:

24 (a) Receive orders over the telephone or internet, by a
25 Washington resident age twenty-one or over, for the purchase and
26 delivery of useable marijuana, marijuana-infused products, or
27 marijuana concentrates not in excess of the amounts authorized in RCW
28 69.50.360(3); and

29 (b) Deliver useable marijuana, marijuana-infused products, and
30 marijuana concentrates not in excess of the amounts authorized in RCW
31 69.50.360(3), to the same Washington resident age twenty-one or over
32 who placed the order for the useable marijuana, marijuana-infused
33 products, or marijuana concentrates over the telephone or internet.

34 (6) No delivery of useable marijuana, marijuana-infused products,
35 or marijuana concentrates may be made by a licensed marijuana
36 retailer with a marijuana delivery endorsement after September 1,
37 2018.

38 NEW SECTION. **Sec. 2.** The pilot program authorized in section 1
39 of this act is subject to the following restrictions:

1 (1) No order for the purchase and delivery of useable marijuana,
2 marijuana-infused products, or marijuana concentrates may be accepted
3 from a person who is not a Washington resident or is under age
4 twenty-one.

5 (2) A delivery of an order of useable marijuana, marijuana-
6 infused products, or marijuana concentrates by a licensed marijuana
7 retailer with a marijuana delivery endorsement may be made only:

8 (a) By an owner or employee of the licensed marijuana retailer
9 who is age twenty-one or over;

10 (b) To the same Washington resident who placed the order and who
11 demonstrates the Washington resident is age twenty-one or over
12 consistent with subsection (3) of this section; and

13 (c) At a private residence located in the same city in which the
14 licensed marijuana retailer is located.

15 (3) A person who places an order for the purchase and delivery of
16 useable marijuana, marijuana-infused products, or marijuana
17 concentrates must possess a valid Washington driver's license or
18 valid Washington identicard and must allow the owner or employee of
19 the licensed marijuana retailer making the delivery to inspect the
20 person's valid Washington driver's license or valid Washington
21 identicard for proof of age.

22 (4) An owner or employee of a licensed marijuana retailer with a
23 marijuana delivery endorsement who performs a delivery must have
24 undergone training regarding proof of age identification.

25 (5) All provisions of chapter 69.50 RCW and all administrative
26 rules adopted pursuant to chapter 69.50 RCW apply to the sale and
27 delivery of useable marijuana, marijuana-infused products, and
28 marijuana concentrates by a licensed marijuana retailer under a
29 marijuana delivery endorsement issued pursuant to authorization in
30 this act. The definitions in chapter 69.50 RCW apply throughout this
31 act unless the context clearly requires otherwise.

32 (6)(a) A marijuana delivery endorsement is forfeited upon the
33 liquor and cannabis board's determination that a licensed marijuana
34 retailer with a marijuana delivery endorsement delivered, on one or
35 more occasions, useable marijuana, marijuana-infused products, or
36 marijuana concentrates to a person who is not a Washington resident
37 or is under age twenty-one.

38 (b) The minimum penalty for the delivery of useable marijuana,
39 marijuana-infused products, or marijuana concentrates to a person who
40 is not a Washington resident or is under age twenty-one is two

1 thousand five hundred dollars and forfeiture of the marijuana
2 delivery endorsement.

3 (7) The liquor and cannabis board must subject each licensed
4 marijuana retailer that is issued a marijuana delivery endorsement
5 pursuant to this act to at least four random tests per year of
6 operation to ensure that no useable marijuana, marijuana-infused
7 products, or marijuana concentrates are delivered to a person who is
8 not a Washington resident or is under age twenty-one.

9 (8) A city in which a licensed marijuana retailer with a
10 marijuana delivery endorsement operates must have adopted an
11 ordinance or resolution containing requirements that are
12 substantially similar to the rules the liquor and cannabis board
13 adopts pursuant to this act before a licensed marijuana retailer with
14 a marijuana delivery endorsement may begin delivering useable
15 marijuana, marijuana-infused products, and marijuana concentrates.

16 NEW SECTION. **Sec. 3.** (1) The liquor and cannabis board, after
17 consultation with eligible cities, is authorized to adopt rules
18 necessary to implement the pilot program created in this act.

19 (2) The rules under this section must be adopted by September 1,
20 2016, and, at a minimum, provide for the following:

21 (a) Eligibility requirements for qualified licensed marijuana
22 retailers;

23 (b) Procedures for verifying the person submitting an order and
24 receiving a delivery is a Washington resident and age twenty-one or
25 over;

26 (c) Maximum amounts of useable marijuana, marijuana-infused
27 products, and marijuana concentrates that may be physically
28 transported off the premises of a licensed marijuana retailer with a
29 marijuana delivery endorsement by an owner or employee performing
30 deliveries as authorized by this act;

31 (d) Practices and procedures to ensure that useable marijuana,
32 marijuana-infused products, and marijuana concentrates delivered
33 pursuant to authorization in this act are subject to the same
34 traceability requirements that otherwise apply to useable marijuana,
35 marijuana-infused products, and marijuana concentrates sold by a
36 licensed marijuana retailer pursuant to chapter 69.50 RCW and
37 administrative rules adopted pursuant to chapter 69.50 RCW;

38 (e) The times during which deliveries are authorized and
39 prohibited;

- 1 (f) Security procedures;
- 2 (g) Delivery vehicle requirements; and
- 3 (h) Recordkeeping requirements.

4 (3) The liquor and cannabis board must, after consultation with
5 cities operating a marijuana delivery pilot program pursuant to this
6 act, submit a report to the appropriate committees of the legislature
7 by November 16, 2018. The report must include at least the following:

8 (a) A description of the rules the board adopted pursuant to this
9 section;

10 (b) Information identifying the licensed marijuana retailers that
11 the board issued marijuana delivery endorsements to pursuant to this
12 act;

13 (c) Information about the quantity of useable marijuana,
14 marijuana-infused products, and marijuana concentrates delivered to
15 people pursuant to the authorization in this act;

16 (d) A description of any regulatory or enforcement problems or
17 issues that arose during the course of the pilot program;

18 (e) The board's recommendation as to whether the legislature
19 should make the pilot program in this act permanent and, if so, with
20 what modifications; and

21 (f) Any other information the board determines is relevant for
22 purposes of the legislature's decision on whether to make the pilot
23 program in this act permanent.

24 NEW SECTION. **Sec. 4.** Sections 1 through 3 of this act expire
25 July 1, 2019.

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