

CERTIFICATION OF ENROLLMENT

HOUSE BILL 2520

64th Legislature
2016 Regular Session

Passed by the House February 17, 2016
Yeas 93 Nays 5

Speaker of the House of Representatives

Passed by the Senate March 1, 2016
Yeas 39 Nays 8

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2520** as passed by House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

HOUSE BILL 2520

Passed Legislature - 2016 Regular Session

State of Washington

64th Legislature

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By Representative Wylie; by request of Liquor and Cannabis Board

Read first time 01/14/16. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to the sale of marijuana to regulated
2 cooperatives; amending RCW 69.50.325 and 69.51A.250; and providing an
3 effective date.

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

5 **Sec. 1.** RCW 69.50.325 and 2015 c 70 s 5 are each amended to read
6 as follows:

7 (1) There shall be a marijuana producer's license to produce
8 marijuana for sale at wholesale to marijuana processors and other
9 marijuana producers and to produce marijuana plants for sale to
10 cooperatives as described under RCW 69.51A.250, regulated by the
11 state liquor and cannabis board and subject to annual renewal. The
12 production, possession, delivery, distribution, and sale of marijuana
13 in accordance with the provisions of this chapter and the rules
14 adopted to implement and enforce it, by a validly licensed marijuana
15 producer, shall not be a criminal or civil offense under Washington
16 state law. Every marijuana producer's license shall be issued in the
17 name of the applicant, shall specify the location at which the
18 marijuana producer intends to operate, which must be within the state
19 of Washington, and the holder thereof shall not allow any other
20 person to use the license. The application fee for a marijuana
21 producer's license shall be two hundred fifty dollars. The annual fee

1 for issuance and renewal of a marijuana producer's license shall be
2 one thousand dollars. A separate license shall be required for each
3 location at which a marijuana producer intends to produce marijuana.

4 (2) There shall be a marijuana processor's license to process,
5 package, and label marijuana concentrates, useable marijuana, and
6 marijuana-infused products for sale at wholesale to marijuana
7 processors and marijuana retailers, regulated by the state liquor and
8 cannabis board and subject to annual renewal. The processing,
9 packaging, possession, delivery, distribution, and sale of marijuana,
10 useable marijuana, marijuana-infused products, and marijuana
11 concentrates in accordance with the provisions of this chapter and
12 chapter 69.51A RCW and the rules adopted to implement and enforce
13 these chapters, by a validly licensed marijuana processor, shall not
14 be a criminal or civil offense under Washington state law. Every
15 marijuana processor's license shall be issued in the name of the
16 applicant, shall specify the location at which the licensee intends
17 to operate, which must be within the state of Washington, and the
18 holder thereof shall not allow any other person to use the license.
19 The application fee for a marijuana processor's license shall be two
20 hundred fifty dollars. The annual fee for issuance and renewal of a
21 marijuana processor's license shall be one thousand dollars. A
22 separate license shall be required for each location at which a
23 marijuana processor intends to process marijuana.

24 (3) There shall be a marijuana retailer's license to sell
25 marijuana concentrates, useable marijuana, and marijuana-infused
26 products at retail in retail outlets, regulated by the state liquor
27 and cannabis board and subject to annual renewal. The possession,
28 delivery, distribution, and sale of marijuana concentrates, useable
29 marijuana, and marijuana-infused products in accordance with the
30 provisions of this chapter and the rules adopted to implement and
31 enforce it, by a validly licensed marijuana retailer, shall not be a
32 criminal or civil offense under Washington state law. Every marijuana
33 retailer's license shall be issued in the name of the applicant,
34 shall specify the location of the retail outlet the licensee intends
35 to operate, which must be within the state of Washington, and the
36 holder thereof shall not allow any other person to use the license.
37 The application fee for a marijuana retailer's license shall be two
38 hundred fifty dollars. The annual fee for issuance and renewal of a
39 marijuana retailer's license shall be one thousand dollars. A
40 separate license shall be required for each location at which a

1 marijuana retailer intends to sell marijuana concentrates, useable
2 marijuana, and marijuana-infused products.

3 **Sec. 2.** RCW 69.51A.250 and 2015 2nd sp.s. c 4 s 1001 are each
4 amended to read as follows:

5 (1) Qualifying patients or designated providers may form a
6 cooperative and share responsibility for acquiring and supplying the
7 resources needed to produce and process marijuana only for the
8 medical use of members of the cooperative. No more than four
9 qualifying patients or designated providers may become members of a
10 cooperative under this section and all members must hold valid
11 recognition cards. All members of the cooperative must be at least
12 twenty-one years old. The designated provider of a qualifying patient
13 who is under twenty-one years old may be a member of a cooperative on
14 the qualifying patient's behalf. All plants grown in the cooperative
15 must be purchased or cloned from a plant purchased from a licensed
16 marijuana producer as defined in RCW 69.50.101.

17 (2) Qualifying patients and designated providers who wish to form
18 a cooperative must register the location with the state liquor and
19 cannabis board and this is the only location where cooperative
20 members may grow or process marijuana. This registration must include
21 the names of all participating members and copies of each
22 participant's recognition card. Only qualifying patients or
23 designated providers registered with the state liquor and cannabis
24 board in association with the location may participate in growing or
25 receive useable marijuana or marijuana-infused products grown at that
26 location.

27 (3) No cooperative may be located in any of the following areas:

28 (a) Within one mile of a marijuana retailer;

29 (b) Within the smaller of either:

30 (i) One thousand feet of the perimeter of the grounds of any
31 elementary or secondary school, playground, recreation center or
32 facility, child care center, public park, public transit center,
33 library, or any game arcade that admission to which is not restricted
34 to persons aged twenty-one years or older; or

35 (ii) The area restricted by ordinance, if the cooperative is
36 located in a city, county, or town that has passed an ordinance
37 pursuant to RCW 69.50.331(8); or

38 (c) Where prohibited by a city, town, or county zoning provision.

1 (4) The state liquor and cannabis board must deny the
2 registration of any cooperative if the location does not comply with
3 the requirements set forth in subsection (3) of this section.

4 (5) If a qualifying patient or designated provider no longer
5 participates in growing at the location, he or she must notify the
6 state liquor and cannabis board within fifteen days of the date the
7 qualifying patient or designated provider ceases participation. The
8 state liquor and cannabis board must remove his or her name from
9 connection to the cooperative. Additional qualifying patients or
10 designated providers may not join the cooperative until sixty days
11 have passed since the date on which the last qualifying patient or
12 designated provider notifies the state liquor and cannabis board that
13 he or she no longer participates in that cooperative.

14 (6) Qualifying patients or designated providers who participate
15 in a cooperative under this section:

16 (a) May grow up to the total amount of plants for which each
17 participating member is authorized on their recognition cards, up to
18 a maximum of sixty plants. At the location, the qualifying patients
19 or designated providers may possess the amount of useable marijuana
20 that can be produced with the number of plants permitted under this
21 subsection, but no more than seventy-two ounces;

22 (b) May only participate in one cooperative;

23 (c) May only grow plants in the cooperative and if he or she
24 grows plants in the cooperative may not grow plants elsewhere;

25 (d) Must provide assistance in growing plants. A monetary
26 contribution or donation is not to be considered assistance under
27 this section. Participants must provide nonmonetary resources and
28 labor in order to participate; and

29 (e) May not sell, donate, or otherwise provide marijuana,
30 marijuana concentrates, useable marijuana, or marijuana-infused
31 products to a person who is not participating under this section.

32 (7) The location of the cooperative must be the domicile of one
33 of the participants. Only one cooperative may be located per property
34 tax parcel. A copy of each participant's recognition card must be
35 kept at the location at all times.

36 (8) The state liquor and cannabis board may adopt rules to
37 implement this section including:

38 (a) Any security requirements necessary to ensure the safety of
39 the cooperative and to reduce the risk of diversion from the
40 cooperative;

1 (b) A seed to sale traceability model that is similar to the seed
2 to sale traceability model used by licensees that will allow the
3 state liquor and cannabis board to track all marijuana grown in a
4 cooperative.

5 (9) The state liquor and cannabis board or law enforcement may
6 inspect a cooperative registered under this section to ensure members
7 are in compliance with this section. The state liquor and cannabis
8 board must adopt rules on reasonable inspection hours and reasons for
9 inspections.

10 NEW SECTION. **Sec. 3.** This act takes effect July 1, 2016.

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