

HB 1858 - H AMD 447

By Representative Sawyer

ADOPTED 04/18/2017

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

3 "NEW SECTION. **Sec. 1.** (1) Beginning on the effective date of
4 this section, a nonrefundable additional fee is imposed on all
5 applications and renewals of licenses relating to marijuana required
6 under chapter 69.50 RCW. The fee applies to all applications and
7 license modifications received on or after the effective date of this
8 section and renewals where the date of the license expiration is on
9 or after June 30, 2017. The fees established in this section are to
10 be used for the replacement of the state liquor and cannabis board's
11 traceability system. Except for licensed marijuana producers, the
12 additional fee for all marijuana licensees licensed under chapter
13 69.50 RCW is four hundred eighty dollars. The fee structure for
14 licensed marijuana producers is as follows:

- 15 (a) One hundred eighty-five dollars for tier one producers;
16 (b) Three hundred sixty-five dollars for tier two producers; and
17 (c) Seven hundred fifty dollars for tier three producers.
18 (2) This section expires June 30, 2018.

19 **Sec. 2.** RCW 69.50.325 and 2016 c 170 s 1 are each amended to
20 read as follows:

21 (1) There shall be a marijuana producer's license to produce
22 marijuana for sale at wholesale to marijuana processors and other
23 marijuana producers and to produce marijuana plants for sale to
24 cooperatives as described under RCW 69.51A.250, regulated by the
25 state liquor and cannabis board and subject to annual renewal. The
26 production, possession, delivery, distribution, and sale of marijuana
27 in accordance with the provisions of this chapter and the rules
28 adopted to implement and enforce it, by a validly licensed marijuana
29 producer, shall not be a criminal or civil offense under Washington
30 state law. Every marijuana producer's license shall be issued in the
31 name of the applicant, shall specify the location at which the

1 marijuana producer intends to operate, which must be within the state
2 of Washington, and the holder thereof shall not allow any other
3 person to use the license. The application fee for a marijuana
4 producer's license shall be two hundred fifty dollars. The annual fee
5 for issuance and renewal of a marijuana producer's license shall be
6 one thousand one hundred fifteen dollars for tier one producers, one
7 thousand two hundred thirty dollars for tier two producers, and one
8 thousand four hundred seventy dollars for tier three producers. A
9 separate license shall be required for each location at which a
10 marijuana producer intends to produce marijuana.

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

31 (3) There shall be a marijuana retailer's license to sell
32 marijuana concentrates, useable marijuana, and marijuana-infused
33 products at retail in retail outlets, regulated by the state liquor
34 and cannabis board and subject to annual renewal. The possession,
35 delivery, distribution, and sale of marijuana concentrates, useable
36 marijuana, and marijuana-infused products in accordance with the
37 provisions of this chapter and the rules adopted to implement and
38 enforce it, by a validly licensed marijuana retailer, shall not be a
39 criminal or civil offense under Washington state law. Every marijuana
40 retailer's license shall be issued in the name of the applicant,

1 shall specify the location of the retail outlet the licensee intends
2 to operate, which must be within the state of Washington, and the
3 holder thereof shall not allow any other person to use the license.
4 The application fee for a marijuana retailer's license shall be two
5 hundred fifty dollars. The annual fee for issuance and renewal of a
6 marijuana retailer's license shall be one thousand three hundred
7 dollars. A separate license shall be required for each location at
8 which a marijuana retailer intends to sell marijuana concentrates,
9 useable marijuana, and marijuana-infused products.

10 **Sec. 3.** RCW 69.50.372 and 2016 sp.s. c 9 s 1 are each amended to
11 read as follows:

12 (1) A marijuana research license is established that permits a
13 licensee to produce, process, and possess marijuana for the following
14 limited research purposes:

15 (a) To test chemical potency and composition levels;

16 (b) To conduct clinical investigations of marijuana-derived drug
17 products;

18 (c) To conduct research on the efficacy and safety of
19 administering marijuana as part of medical treatment; and

20 (d) To conduct genomic or agricultural research.

21 (2) As part of the application process for a marijuana research
22 license, an applicant must submit to the liquor and cannabis board's
23 designated scientific reviewer a description of the research that is
24 intended to be conducted. The liquor and cannabis board must select a
25 scientific reviewer to review an applicant's research project and
26 determine that it meets the requirements of subsection (1) of this
27 section, as well as assess the following:

28 (a) Project quality, study design, value, or impact;

29 (b) Whether applicants have the appropriate personnel, expertise,
30 facilities/infrastructure, funding, and human/animal/other federal
31 approvals in place to successfully conduct the project; and

32 (c) Whether the amount of marijuana to be grown by the applicant
33 is consistent with the project's scope and goals.

34 If the scientific reviewer determines that the research project
35 does not meet the requirements of subsection (1) of this section, the
36 application must be denied.

37 (3) A marijuana research licensee may only sell marijuana grown
38 or within its operation to other marijuana research licensees. The

1 liquor and cannabis board may revoke a marijuana research license for
2 violations of this subsection.

3 (4) A marijuana research licensee may contract with the
4 University of Washington or Washington State University to perform
5 research in conjunction with the university. All research projects,
6 not including those projects conducted pursuant to a contract entered
7 into under RCW 28B.20.502(3), must be approved by the scientific
8 reviewer and meet the requirements of subsection (1) of this section.

9 (5) In establishing a marijuana research license, the liquor and
10 cannabis board may adopt rules on the following:

11 (a) Application requirements;

12 (b) Marijuana research license renewal requirements, including
13 whether additional research projects may be added or considered;

14 (c) Conditions for license revocation;

15 (d) Security measures to ensure marijuana is not diverted to
16 purposes other than research;

17 (e) Amount of plants, useable marijuana, marijuana concentrates,
18 or marijuana-infused products a licensee may have on its premises;

19 (f) Licensee reporting requirements;

20 (g) Conditions under which marijuana grown by marijuana
21 processors may be donated to marijuana research licensees; and

22 (h) Additional requirements deemed necessary by the liquor and
23 cannabis board.

24 (6) The production, processing, possession, delivery, donation,
25 and sale of marijuana in accordance with this section and the rules
26 adopted to implement and enforce it, by a validly licensed marijuana
27 researcher, shall not be a criminal or civil offense under Washington
28 state law. Every marijuana research license must be issued in the
29 name of the applicant, must specify the location at which the
30 marijuana researcher intends to operate, which must be within the
31 state of Washington, and the holder thereof may not allow any other
32 person to use the license.

33 (7) The application fee for a marijuana research license is two
34 hundred fifty dollars. The annual fee for issuance and renewal of a
35 marijuana research license is one thousand three hundred dollars. The
36 applicant must pay the cost of the review process directly to the
37 scientific reviewer as designated by the liquor and cannabis board.

38 (8) The scientific reviewer shall review any reports made by
39 marijuana research licensees under liquor and cannabis board rule and
40 provide the liquor and cannabis board with its determination on

1 whether the research project continues to meet research
2 qualifications under this section.

3 (9) For the purposes of this section, "scientific reviewer" means
4 an organization that convenes or contracts with persons who have the
5 training and experience in research practice and research methodology
6 to determine whether a project meets the criteria for a marijuana
7 research license under this section and to review any reports
8 submitted by marijuana research licensees under liquor and cannabis
9 board rule. "Scientific reviewers" include, but are not limited to,
10 educational institutions, research institutions, peer review bodies,
11 or such other organizations that are focused on science or research
12 in its day-to-day activities.

13 NEW SECTION. **Sec. 4.** Sections 2 and 3 of this act take effect
14 July 1, 2018."

15 Correct the title.

EFFECT: (1) Establishes a graduated fee structure for the nonrefundable additional fees imposed upon licensed marijuana producers that is based upon the state liquor and cannabis board's classification of the producer based on size, as follows: (a) One hundred eighty-five dollars for tier one producers; (b) three hundred sixty-five dollars for tier two producers; and (c) seven hundred fifty dollars for tier three producers; and (2) establishes a graduated fee structure for the annual licensing and renewal fee imposed upon licensed marijuana producers that is based upon the state liquor and cannabis board's classification of the producer based on size, as follows: (a) One thousand one hundred fifteen dollars for tier one producers; (b) one thousand two hundred thirty dollars for tier two producers; and (c) one thousand four hundred seventy dollars for tier three producers.

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