

**2SHB 2227 - H AMD 1316**

By Representative Sawyer

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

3 "Sec. 1. RCW 69.50.348 and 2013 c 3 s 11 are each amended to  
4 read as follows:

5 (1) On a schedule determined by the state liquor (~~control~~) and  
6 cannabis board, every licensed marijuana producer and processor must  
7 submit representative samples of marijuana, useable marijuana, or  
8 marijuana-infused products produced or processed by the licensee to  
9 an independent, third-party testing laboratory meeting the  
10 accreditation requirements established by the state liquor  
11 (~~control~~) and cannabis board, for inspection and testing to certify  
12 compliance with quality assurance and product standards adopted by  
13 the state liquor (~~control~~) and cannabis board under RCW 69.50.342.  
14 Any sample remaining after testing shall be destroyed by the  
15 laboratory or returned to the licensee submitting the sample.

16 (2) Licensees must submit the results of (~~this~~) inspection and  
17 testing for quality assurance and product standards required under  
18 subsection (1) of this section to the state liquor (~~control~~) and  
19 cannabis board on a form developed by the state liquor (~~control~~)  
20 and cannabis board.

21 (3) If a representative sample inspected and tested under this  
22 section does not meet the applicable quality assurance and product  
23 standards (~~adopted~~) established by the state liquor (~~control~~) and  
24 cannabis board, the entire lot from which the sample was taken must  
25 be destroyed.

26 (4) The state liquor and cannabis board may adopt rules necessary  
27 to implement this section.

28 **Sec. 2.** RCW 69.50.348 and 2013 c 3 s 11 are each amended to read  
29 as follows:

30 (1) On a schedule determined by the state liquor (~~control~~) and  
31 cannabis board, every licensed marijuana producer and processor must

1 submit representative samples of marijuana, useable marijuana, or  
2 marijuana-infused products produced or processed by the licensee to  
3 an independent, third-party testing laboratory meeting the  
4 accreditation requirements established by the state (~~liquor control~~  
5 ~~board~~) department of ecology, for inspection and testing to certify  
6 compliance with quality assurance and product standards adopted by  
7 the state liquor (~~control~~) and cannabis board under RCW 69.50.342.  
8 Any sample remaining after testing shall be destroyed by the  
9 laboratory or returned to the licensee submitting the sample.

10 (2) Licensees must submit the results of (~~this~~) inspection and  
11 testing for quality assurance and product standards required under  
12 subsection (1) of this section to the state liquor (~~control~~) and  
13 cannabis board on a form developed by the state liquor (~~control~~)  
14 and cannabis board.

15 (3) If a representative sample inspected and tested under this  
16 section does not meet the applicable quality assurance and product  
17 standards (~~adopted~~) established by the state liquor (~~control~~) and  
18 cannabis board, the entire lot from which the sample was taken must  
19 be destroyed.

20 (4) The department of ecology may establish and collect fees for  
21 the accreditation of marijuana product testing laboratories as  
22 required in this section. The department of ecology may determine,  
23 assess, and collect, and each testing laboratory seeking  
24 accreditation must pay, fees sufficient to cover the direct and  
25 indirect costs of implementing an accreditation program. The  
26 department of ecology must develop by rule a fee schedule allocating  
27 the costs of the accreditation program established by this section.  
28 The fee schedule must fully cover, but not exceed, administration  
29 costs, program development costs, and oversight costs. The department  
30 of ecology must review and update its fee schedule. The costs of  
31 marijuana product testing laboratory accreditation are those incurred  
32 by the department in administering and enforcing the accreditation  
33 program. The costs may include, but are not limited to, the costs  
34 incurred in undertaking the following accreditation functions:

35 (a) Evaluating protocols and procedures;

36 (b) Determining the accuracy and reliability of test results,  
37 including internal quality assurance and quality control procedures,  
38 and proficiency at analyzing test samples; and

39 (c) Such other accreditation activities as the department of  
40 ecology deems appropriate.

1       (5) The department of ecology and the liquor and cannabis board  
2 must act cooperatively to ensure effective implementation and  
3 administration of this section.

4       NEW SECTION.   **Sec. 3.** A new section is added to chapter 43.21A  
5 RCW to read as follows:

6       By July 1, 2021, the department must, in consultation with the  
7 liquor and cannabis board, adopt rules to implement section 2,  
8 chapter . . . , Laws of 2018 (section 2 of this act).

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

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

14       (1) Licensing of marijuana producers, marijuana processors, and  
15 marijuana retailers, including prescribing forms and establishing  
16 application, reinstatement, and renewal fees.

17       (a) Application forms for marijuana producers must request the  
18 applicant to state whether the applicant intends to produce marijuana  
19 for sale by marijuana retailers holding medical marijuana  
20 endorsements and the amount of or percentage of canopy the applicant  
21 intends to commit to growing plants determined by the department  
22 under RCW 69.50.375 to be of a THC concentration, CBD concentration,  
23 or THC to CBD ratio appropriate for marijuana concentrates, useable  
24 marijuana, or marijuana-infused products sold to qualifying patients.

25       (b) The state liquor and cannabis board must reconsider and  
26 increase limits on the amount of square feet permitted to be in  
27 production on July 24, 2015, and increase the percentage of  
28 production space for those marijuana producers who intend to grow  
29 plants for marijuana retailers holding medical marijuana endorsements  
30 if the marijuana producer designates the increased production space  
31 to plants determined by the department under RCW 69.50.375 to be of a  
32 THC concentration, CBD concentration, or THC to CBD ratio appropriate  
33 for marijuana concentrates, useable marijuana, or marijuana-infused  
34 products to be sold to qualifying patients. If current marijuana  
35 producers do not use all the increased production space, the state  
36 liquor and cannabis board may reopen the license period for new  
37 marijuana producer license applicants but only to those marijuana  
38 producers who agree to grow plants for marijuana retailers holding

1 medical marijuana endorsements. Priority in licensing must be given  
2 to marijuana producer license applicants who have an application  
3 pending on July 24, 2015, but who are not yet licensed and then to  
4 new marijuana producer license applicants. After January 1, 2017, any  
5 reconsideration of the limits on the amount of square feet permitted  
6 to be in production to meet the medical needs of qualifying patients  
7 must consider information contained in the medical marijuana  
8 authorization database established in RCW 69.51A.230;

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

12 (a) Population distribution;

13 (b) Security and safety issues;

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

17 (d) The number of retail outlets holding medical marijuana  
18 endorsements necessary to meet the medical needs of qualifying  
19 patients. The state liquor and cannabis board must reconsider and  
20 increase the maximum number of retail outlets it established before  
21 July 24, 2015, and allow for a new license application period and a  
22 greater number of retail outlets to be permitted in order to  
23 accommodate the medical needs of qualifying patients and designated  
24 providers. After January 1, 2017, any reconsideration of the maximum  
25 number of retail outlets needed to meet the medical needs of  
26 qualifying patients must consider information contained in the  
27 medical marijuana authorization database established in RCW  
28 69.51A.230;

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

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

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

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

3 (a) Security and safety issues;

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

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

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

14 (a) The business or trade name and Washington state unified  
15 business identifier number of the licensees that processed and sold  
16 the marijuana, marijuana concentrates, useable marijuana, or  
17 marijuana-infused product;

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

20 (c) THC concentration and CBD concentration of the marijuana,  
21 marijuana concentrates, useable marijuana, or marijuana-infused  
22 product;

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

25 (e) Language required by RCW 69.04.480;

26 (8) In consultation with the department of agriculture and the  
27 department, establishing classes of marijuana, marijuana  
28 concentrates, useable marijuana, and marijuana-infused products  
29 according to grade, condition, cannabinoid profile, THC  
30 concentration, CBD concentration, or other qualitative measurements  
31 deemed appropriate by the state liquor and cannabis board;

32 (9) Establishing reasonable time, place, and manner restrictions  
33 and requirements regarding advertising of marijuana, marijuana  
34 concentrates, useable marijuana, and marijuana-infused products that  
35 are not inconsistent with the provisions of this chapter, taking into  
36 consideration:

37 (a) Federal laws relating to marijuana that are applicable within  
38 Washington state;

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

1 (c) The inclusion of medically and scientifically accurate  
2 information about the health and safety risks posed by marijuana use  
3 in the advertising; and

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

6 (10) Specifying and regulating the time and periods when, and the  
7 manner, methods, and means by which, licensees shall transport and  
8 deliver marijuana, marijuana concentrates, useable marijuana, and  
9 marijuana-infused products within the state;

10 (11) In consultation with the department and the department of  
11 agriculture, (~~establishing accreditation requirements for testing~~  
12 ~~laboratories used by licensees to demonstrate compliance with~~  
13 ~~standards adopted by the state liquor and cannabis board, and~~)  
14 prescribing methods of producing, processing, and packaging  
15 marijuana, marijuana concentrates, useable marijuana, and marijuana-  
16 infused products; conditions of sanitation; and standards of  
17 ingredients, quality, and identity of marijuana, marijuana  
18 concentrates, useable marijuana, and marijuana-infused products  
19 produced, processed, packaged, or sold by licensees;

20 (12) Specifying procedures for identifying, seizing,  
21 confiscating, destroying, and donating to law enforcement for  
22 training purposes all marijuana, marijuana concentrates, useable  
23 marijuana, and marijuana-infused products produced, processed,  
24 packaged, labeled, or offered for sale in this state that do not  
25 conform in all respects to the standards prescribed by this chapter  
26 or the rules of the state liquor and cannabis board.

27 NEW SECTION. **Sec. 5.** (1) Beginning on the effective date of  
28 this section, a nonrefundable additional fee of eighty-six dollars is  
29 imposed on all applications and renewals of licenses for marijuana  
30 producers, processors, and retailers. The fee applies to all  
31 applications and license modifications received on or after the  
32 effective date of this section and renewals where the date of the  
33 license expiration is on or after June 30, 2018. Revenue collected  
34 pursuant to the fee authorized under this section is to be used for  
35 research by the state department of ecology in developing  
36 accreditation standards for marijuana product testing laboratories  
37 and rule making in preparation for establishing an accreditation  
38 program for these laboratories.

39 (2) This section expires June 30, 2021.

1        NEW SECTION.    **Sec. 6.**    Section 1 of this act expires July 1,  
2 2021.

3        NEW SECTION.    **Sec. 7.**    Sections 2 and 4 of this act take effect  
4 July 1, 2021."

5        Correct the title.

EFFECT: (1) Establishes that until July 1, 2021, the Liquor and Cannabis Board shall continue to be responsible for ensuring that marijuana product testing laboratories meet accreditation requirements established by the Liquor and Cannabis Board; (2) establishes that until July 1, 2021, the Liquor and Cannabis Board has rule-making authority regarding the accreditation of licensed marijuana product testing laboratories; (3) establishes that as of July 1, 2021, responsibility for the creation and implementation of accreditation requirements for marijuana product testing laboratories is shifted from the Liquor and Cannabis Board to the Department of Ecology; (4) requires that, effective July 1, 2021, the Department of Ecology and the Liquor and Cannabis Board act cooperatively to ensure the effective implementation and administration of marijuana testing laboratory accreditation requirements; (5) establishes that, by July 1, 2021, the Department of Ecology, in consultation with the Liquor and Cannabis Board, must adopt rules governing the accreditation of marijuana product testing laboratories; (6) effective July 1, 2021, eliminates provisions requiring the Liquor and Cannabis Board to consult with the Department of Agriculture regarding accreditation requirements for marijuana product testing laboratories; and (7) eliminates the requirement that the Department of Ecology report to the Legislature by January 15, 2019, with recommendations regarding marijuana product testing laboratory accreditation standards.

--- END ---