

ESSB 5131 - CONF REPT  
By Conference Committee

HOUSE ADOPTED 04/20/2017

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

3 "Sec. 1. RCW 69.50.325 and 2016 c 170 s 1 are each amended to  
4 read as follows:

5 (1) There shall be a marijuana producer's license regulated by  
6 the state liquor and cannabis board and subject to annual renewal.  
7 The licensee is authorized to produce: (a) Marijuana for sale at  
8 wholesale to marijuana processors and other marijuana producers ((and  
9 to produce marijuana)); (b) immature plants or clones and seeds for  
10 sale to cooperatives as described under RCW 69.51A.250((, regulated  
11 by the state liquor and cannabis board and subject to annual  
12 renewal)); and (c) immature plants or clones and seeds for sale to  
13 qualifying patients and designated providers as provided under  
14 section 11 of this act. The production, possession, delivery,  
15 distribution, and sale of marijuana in accordance with the provisions  
16 of this chapter and the rules adopted to implement and enforce it, by  
17 a validly licensed marijuana producer, shall not be a criminal or  
18 civil offense under Washington state law. Every marijuana producer's  
19 license shall be issued in the name of the applicant, shall specify  
20 the location at which the marijuana producer intends to operate,  
21 which must be within the state of Washington, and the holder thereof  
22 shall not allow any other person to use the license. The application  
23 fee for a marijuana producer's license shall be two hundred fifty  
24 dollars. The annual fee for issuance and renewal of a marijuana  
25 producer's license shall be one thousand dollars. A separate license  
26 shall be required for each location at which a marijuana producer  
27 intends to produce marijuana.

28 (2) There shall be a marijuana processor's license to process,  
29 package, and label marijuana concentrates, useable marijuana, and  
30 marijuana-infused products for sale at wholesale to marijuana  
31 processors and marijuana retailers, regulated by the state liquor and  
32 cannabis board and subject to annual renewal. The processing,

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

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

35 (b) An individual retail licensee and all other persons or  
36 entities with a financial or other ownership interest in the business  
37 operating under the license are limited, in the aggregate, to holding  
38 a collective total of not more than five retail marijuana licenses.

1 (c)(i) A marijuana retailer's license is subject to forfeiture in  
2 accordance with rules adopted by the state liquor and cannabis board  
3 pursuant to this section.

4 (ii) The state liquor and cannabis board shall adopt rules to  
5 establish a license forfeiture process for a licensed marijuana  
6 retailer that is not fully operational and open to the public within  
7 a specified period from the date of license issuance, as established  
8 by the state liquor and cannabis board, subject to the following  
9 restrictions:

10 (A) No marijuana retailer's license may be subject to forfeiture  
11 within the first nine months of license issuance; and

12 (B) The state liquor and cannabis board must require license  
13 forfeiture on or before twenty-four calendar months of license  
14 issuance if a marijuana retailer is not fully operational and open to  
15 the public, unless the board determines that circumstances out of the  
16 licensee's control are preventing the licensee from becoming fully  
17 operational and that, in the board's discretion, the circumstances  
18 warrant extending the forfeiture period beyond twenty-four calendar  
19 months.

20 (iii) The state liquor and cannabis board has discretion in  
21 adopting rules under this subsection (3)(c).

22 (iv) This subsection (3)(c) applies to marijuana retailer's  
23 licenses issued before and after the effective date of this section.  
24 However, no license of a marijuana retailer that otherwise meets the  
25 conditions for license forfeiture established pursuant to this  
26 subsection (3)(c) may be subject to forfeiture within the first nine  
27 calendar months of the effective date of this section.

28 (v) The state liquor and cannabis board may not require license  
29 forfeiture if the licensee has been incapable of opening a fully  
30 operational retail marijuana business due to actions by the city,  
31 town, or county with jurisdiction over the licensee that include any  
32 of the following:

33 (A) The adoption of a ban or moratorium that prohibits the  
34 opening of a retail marijuana business; or

35 (B) The adoption of an ordinance or regulation related to zoning,  
36 business licensing, land use, or other regulatory measure that has  
37 the effect of preventing a licensee from receiving an occupancy  
38 permit from the jurisdiction or which otherwise prevents a licensed  
39 marijuana retailer from becoming operational.

1       **Sec. 2.** RCW 69.50.331 and 2015 2nd sp.s. c 4 s 301 are each  
2 amended to read as follows:

3       (1) For the purpose of considering any application for a license  
4 to produce, process, research, transport, or deliver marijuana,  
5 useable marijuana, marijuana concentrates, or marijuana-infused  
6 products subject to the regulations established under RCW 69.50.385,  
7 or sell marijuana, or for the renewal of a license to produce,  
8 process, research, transport, or deliver marijuana, useable  
9 marijuana, marijuana concentrates, or marijuana-infused products  
10 subject to the regulations established under RCW 69.50.385, or sell  
11 marijuana, the state liquor and cannabis board must conduct a  
12 comprehensive, fair, and impartial evaluation of the applications  
13 timely received.

14       ~~(a) ((The state liquor and cannabis board must develop a~~  
15 ~~competitive, merit-based application process that includes, at a~~  
16 ~~minimum, the opportunity for an applicant to demonstrate experience~~  
17 ~~and qualifications in the marijuana industry. The state liquor and~~  
18 ~~cannabis board must give preference between competing applications in~~  
19 ~~the licensing process to applicants that have the following~~  
20 ~~experience and qualifications, in the following order of priority:~~

21       ~~(i) First priority is given to applicants who:~~

22       ~~(A) Applied to the state liquor and cannabis board for a~~  
23 ~~marijuana retailer license prior to July 1, 2014;~~

24       ~~(B) Operated or were employed by a collective garden before~~  
25 ~~January 1, 2013;~~

26       ~~(C) Have maintained a state business license and a municipal~~  
27 ~~business license, as applicable in the relevant jurisdiction; and~~

28       ~~(D) Have had a history of paying all applicable state taxes and~~  
29 ~~fees;~~

30       ~~(ii) Second priority must be given to applicants who:~~

31       ~~(A) Operated or were employed by a collective garden before~~  
32 ~~January 1, 2013;~~

33       ~~(B) Have maintained a state business license and a municipal~~  
34 ~~business license, as applicable in the relevant jurisdiction; and~~

35       ~~(C) Have had a history of paying all applicable state taxes and~~  
36 ~~fees; and~~

37       ~~(iii) Third priority must be given to all other applicants who do~~  
38 ~~not have the experience and qualifications identified in (a)(i) and~~  
39 ~~(ii) of this subsection.~~

1       ~~(b))~~) The state liquor and cannabis board may cause an inspection  
2 of the premises to be made, and may inquire into all matters in  
3 connection with the construction and operation of the premises. For  
4 the purpose of reviewing any application for a license and for  
5 considering the denial, suspension, revocation, or renewal or denial  
6 thereof, of any license, the state liquor and cannabis board may  
7 consider any prior criminal conduct of the applicant including an  
8 administrative violation history record with the state liquor and  
9 cannabis board and a criminal history record information check. The  
10 state liquor and cannabis board may submit the criminal history  
11 record information check to the Washington state patrol and to the  
12 identification division of the federal bureau of investigation in  
13 order that these agencies may search their records for prior arrests  
14 and convictions of the individual or individuals who filled out the  
15 forms. The state liquor and cannabis board must require  
16 fingerprinting of any applicant whose criminal history record  
17 information check is submitted to the federal bureau of  
18 investigation. The provisions of RCW 9.95.240 and of chapter 9.96A  
19 RCW do not apply to these cases. Subject to the provisions of this  
20 section, the state liquor and cannabis board may, in its discretion,  
21 grant or deny the renewal or license applied for. Denial may be based  
22 on, without limitation, the existence of chronic illegal activity  
23 documented in objections submitted pursuant to subsections (7)(c) and  
24 (10) of this section. Authority to approve an uncontested or  
25 unopposed license may be granted by the state liquor and cannabis  
26 board to any staff member the board designates in writing. Conditions  
27 for granting this authority must be adopted by rule.

28       ~~((e))~~) (b) No license of any kind may be issued to:

29       (i) A person under the age of twenty-one years;

30       (ii) A person doing business as a sole proprietor who has not  
31 lawfully resided in the state for at least six months prior to  
32 applying to receive a license;

33       (iii) A partnership, employee cooperative, association, nonprofit  
34 corporation, or corporation unless formed under the laws of this  
35 state, and unless all of the members thereof are qualified to obtain  
36 a license as provided in this section; or

37       (iv) A person whose place of business is conducted by a manager  
38 or agent, unless the manager or agent possesses the same  
39 qualifications required of the licensee.

1 (2)(a) The state liquor and cannabis board may, in its  
2 discretion, subject to the provisions of RCW 69.50.334, suspend or  
3 cancel any license; and all protections of the licensee from criminal  
4 or civil sanctions under state law for producing, processing,  
5 researching, or selling marijuana, marijuana concentrates, useable  
6 marijuana, or marijuana-infused products thereunder must be suspended  
7 or terminated, as the case may be.

8 (b) The state liquor and cannabis board must immediately suspend  
9 the license of a person who has been certified pursuant to RCW  
10 74.20A.320 by the department of social and health services as a  
11 person who is not in compliance with a support order. If the person  
12 has continued to meet all other requirements for reinstatement during  
13 the suspension, reissuance of the license is automatic upon the state  
14 liquor and cannabis board's receipt of a release issued by the  
15 department of social and health services stating that the licensee is  
16 in compliance with the order.

17 (c) The state liquor and cannabis board may request the  
18 appointment of administrative law judges under chapter 34.12 RCW who  
19 shall have power to administer oaths, issue subpoenas for the  
20 attendance of witnesses and the production of papers, books,  
21 accounts, documents, and testimony, examine witnesses, and to receive  
22 testimony in any inquiry, investigation, hearing, or proceeding in  
23 any part of the state, under rules and regulations the state liquor  
24 and cannabis board may adopt.

25 (d) Witnesses must be allowed fees and mileage each way to and  
26 from any inquiry, investigation, hearing, or proceeding at the rate  
27 authorized by RCW 34.05.446. Fees need not be paid in advance of  
28 appearance of witnesses to testify or to produce books, records, or  
29 other legal evidence.

30 (e) In case of disobedience of any person to comply with the  
31 order of the state liquor and cannabis board or a subpoena issued by  
32 the state liquor and cannabis board, or any of its members, or  
33 administrative law judges, or on the refusal of a witness to testify  
34 to any matter regarding which he or she may be lawfully interrogated,  
35 the judge of the superior court of the county in which the person  
36 resides, on application of any member of the board or administrative  
37 law judge, compels obedience by contempt proceedings, as in the case  
38 of disobedience of the requirements of a subpoena issued from said  
39 court or a refusal to testify therein.

1 (3) Upon receipt of notice of the suspension or cancellation of a  
2 license, the licensee must forthwith deliver up the license to the  
3 state liquor and cannabis board. Where the license has been suspended  
4 only, the state liquor and cannabis board must return the license to  
5 the licensee at the expiration or termination of the period of  
6 suspension. The state liquor and cannabis board must notify all other  
7 licensees in the county where the subject licensee has its premises  
8 of the suspension or cancellation of the license; and no other  
9 licensee or employee of another licensee may allow or cause any  
10 marijuana, marijuana concentrates, useable marijuana, or marijuana-  
11 infused products to be delivered to or for any person at the premises  
12 of the subject licensee.

13 (4) Every license issued under this chapter is subject to all  
14 conditions and restrictions imposed by this chapter or by rules  
15 adopted by the state liquor and cannabis board to implement and  
16 enforce this chapter. All conditions and restrictions imposed by the  
17 state liquor and cannabis board in the issuance of an individual  
18 license must be listed on the face of the individual license along  
19 with the trade name, address, and expiration date.

20 (5) Every licensee must post and keep posted its license, or  
21 licenses, in a conspicuous place on the premises.

22 (6) No licensee may employ any person under the age of twenty-one  
23 years.

24 (7)(a) Before the state liquor and cannabis board issues a new or  
25 renewed license to an applicant it must give notice of the  
26 application to the chief executive officer of the incorporated city  
27 or town, if the application is for a license within an incorporated  
28 city or town, or to the county legislative authority, if the  
29 application is for a license outside the boundaries of incorporated  
30 cities or towns, or to the tribal government if the application is  
31 for a license within Indian country, or to the port authority if the  
32 application for a license is located on property owned by a port  
33 authority.

34 (b) The incorporated city or town through the official or  
35 employee selected by it, ~~((or))~~ the county legislative authority or  
36 the official or employee selected by it, the tribal government, or  
37 port authority has the right to file with the state liquor and  
38 cannabis board within twenty days after the date of transmittal of  
39 the notice for applications, or at least thirty days prior to the  
40 expiration date for renewals, written objections against the

1 applicant or against the premises for which the new or renewed  
2 license is asked. The state liquor and cannabis board may extend the  
3 time period for submitting written objections upon request from the  
4 authority notified by the state liquor and cannabis board.

5 (c) The written objections must include a statement of all facts  
6 upon which the objections are based, and in case written objections  
7 are filed, the city or town or county legislative authority may  
8 request, and the state liquor and cannabis board may in its  
9 discretion hold, a hearing subject to the applicable provisions of  
10 Title 34 RCW. If the state liquor and cannabis board makes an initial  
11 decision to deny a license or renewal based on the written objections  
12 of an incorporated city or town or county legislative authority, the  
13 applicant may request a hearing subject to the applicable provisions  
14 of Title 34 RCW. If a hearing is held at the request of the  
15 applicant, state liquor and cannabis board representatives must  
16 present and defend the state liquor and cannabis board's initial  
17 decision to deny a license or renewal.

18 (d) Upon the granting of a license under this title the state  
19 liquor and cannabis board must send written notification to the chief  
20 executive officer of the incorporated city or town in which the  
21 license is granted, or to the county legislative authority if the  
22 license is granted outside the boundaries of incorporated cities or  
23 towns.

24 (8)(a) Except as provided in (b) through (d) of this subsection,  
25 the state liquor and cannabis board may not issue a license for any  
26 premises within one thousand feet of the perimeter of the grounds of  
27 any elementary or secondary school, playground, recreation center or  
28 facility, child care center, public park, public transit center, or  
29 library, or any game arcade admission to which is not restricted to  
30 persons aged twenty-one years or older.

31 (b) A city, county, or town may permit the licensing of premises  
32 within one thousand feet but not less than one hundred feet of the  
33 facilities described in (a) of this subsection, except elementary  
34 schools, secondary schools, and playgrounds, by enacting an ordinance  
35 authorizing such distance reduction, provided that such distance  
36 reduction will not negatively impact the jurisdiction's civil  
37 regulatory enforcement, criminal law enforcement interests, public  
38 safety, or public health.

39 (c) A city, county, or town may permit the licensing of research  
40 premises allowed under RCW 69.50.372 within one thousand feet but not



1 less than one hundred feet of the facilities described in (a) of this  
2 subsection by enacting an ordinance authorizing such distance  
3 reduction, provided that the ordinance will not negatively impact the  
4 jurisdiction's civil regulatory enforcement, criminal law  
5 enforcement, public safety, or public health.

6 (d) The state liquor and cannabis board may license premises  
7 located in compliance with the distance requirements set in an  
8 ordinance adopted under (b) or (c) of this subsection. Before issuing  
9 or renewing a research license for premises within one thousand feet  
10 but not less than one hundred feet of an elementary school, secondary  
11 school, or playground in compliance with an ordinance passed pursuant  
12 to (c) of this subsection, the board must ensure that the facility:

13 (i) Meets a security standard exceeding that which applies to  
14 marijuana producer, processor, or retailer licensees;

15 (ii) Is inaccessible to the public and no part of the operation  
16 of the facility is in view of the general public; and

17 (iii) Bears no advertising or signage indicating that it is a  
18 marijuana research facility.

19 (e) The state liquor and cannabis board may not issue a license  
20 for any premises within Indian country, as defined in 18 U.S.C. Sec.  
21 1151, including any fee patent lands within the exterior boundaries  
22 of a reservation, without the consent of the federally recognized  
23 tribe associated with the reservation or Indian country.

24 (9) (~~Subject to section 1601 of this act,~~) A city, town, or  
25 county may adopt an ordinance prohibiting a marijuana producer or  
26 marijuana processor from operating or locating a business within  
27 areas zoned primarily for residential use or rural use with a minimum  
28 lot size of five acres or smaller.

29 (10) In determining whether to grant or deny a license or renewal  
30 of any license, the state liquor and cannabis board must give  
31 substantial weight to objections from an incorporated city or town or  
32 county legislative authority based upon chronic illegal activity  
33 associated with the applicant's operations of the premises proposed  
34 to be licensed or the applicant's operation of any other licensed  
35 premises, or the conduct of the applicant's patrons inside or outside  
36 the licensed premises. "Chronic illegal activity" means (a) a  
37 pervasive pattern of activity that threatens the public health,  
38 safety, and welfare of the city, town, or county including, but not  
39 limited to, open container violations, assaults, disturbances,  
40 disorderly conduct, or other criminal law violations, or as

1 documented in crime statistics, police reports, emergency medical  
2 response data, calls for service, field data, or similar records of a  
3 law enforcement agency for the city, town, county, or any other  
4 municipal corporation or any state agency; or (b) an unreasonably  
5 high number of citations for violations of RCW 46.61.502 associated  
6 with the applicant's or licensee's operation of any licensed premises  
7 as indicated by the reported statements given to law enforcement upon  
8 arrest.

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

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

- 14       (a) To test chemical potency and composition levels;
- 15       (b) To conduct clinical investigations of marijuana-derived drug  
16 products;
- 17       (c) To conduct research on the efficacy and safety of  
18 administering marijuana as part of medical treatment; and
- 19       (d) To conduct genomic or agricultural research.

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

- 27       (a) Project quality, study design, value, or impact;
- 28       (b) Whether applicants have the appropriate personnel, expertise,  
29 facilities/infrastructure, funding, and human/animal/other federal  
30 approvals in place to successfully conduct the project; and
- 31       (c) Whether the amount of marijuana to be grown by the applicant  
32 is consistent with the project's scope and goals.

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

36       (3) A marijuana research licensee may only sell marijuana grown  
37 or within its operation to other marijuana research licensees. The  
38 liquor and cannabis board may revoke a marijuana research license for  
39 violations of this subsection.

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

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

9 (a) Application requirements;

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

12 (c) Conditions for license revocation;

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

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

17 (f) Licensee reporting requirements;

18 (g) Conditions under which marijuana grown by licensed marijuana  
19 producers and other product types from licensed marijuana processors  
20 may be donated to marijuana research licensees; and

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

23 (6) The production, processing, possession, delivery, donation,  
24 and sale of marijuana, including immature plants or clones and seeds,  
25 in accordance with this section, RCW 69.50.366(3), and the rules  
26 adopted to implement and enforce ~~((it))~~ this section and RCW  
27 69.50.366(3), by a validly licensed marijuana researcher, shall not  
28 be a criminal or civil offense under Washington state law. Every  
29 marijuana research license must be issued in the name of the  
30 applicant, must specify the location at which the marijuana  
31 researcher intends to operate, which must be within the state of  
32 Washington, and the holder thereof may not allow any other person to  
33 use the license.

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

39 (8) The scientific reviewer shall review any reports made by  
40 marijuana research licensees under liquor and cannabis board rule and

1 provide the liquor and cannabis board with its determination on  
2 whether the research project continues to meet research  
3 qualifications under this section.

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

14 **Sec. 4.** RCW 66.08.100 and 2012 c 117 s 269 are each amended to  
15 read as follows:

16 No court of the state of Washington other than the superior court  
17 of Thurston county shall have jurisdiction over any action or  
18 proceeding against the board or any member thereof for anything done  
19 or omitted to be done in or arising out of the performance of his or  
20 her or their duties under this title. Neither the board nor any  
21 member or members thereof shall be personally liable in any action at  
22 law for damages sustained by any person because of any acts performed  
23 or done or omitted to be done by the board or any employee of the  
24 board in the performance of his or her duties and in the  
25 administration of this title or chapter 69.50 or 69.51A RCW.

26 **Sec. 5.** RCW 69.50.101 and 2015 2nd sp.s. c 4 s 901 are each  
27 reenacted and amended to read as follows:

28 The definitions in this section apply throughout this chapter  
29 unless the context clearly requires otherwise.

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

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

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

37 (b) "Agent" means an authorized person who acts on behalf of or  
38 at the direction of a manufacturer, distributor, or dispenser. It

1 does not include a common or contract carrier, public  
2 warehouseperson, or employee of the carrier or warehouseperson.

3 (c) "CBD concentration" has the meaning provided in RCW  
4 69.51A.010.

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

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

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

12 (i) that has a stimulant, depressant, or hallucinogenic effect on  
13 the central nervous system substantially similar to the stimulant,  
14 depressant, or hallucinogenic effect on the central nervous system of  
15 a controlled substance included in Schedule I or II; or

16 (ii) with respect to a particular individual, that the individual  
17 represents or intends to have a stimulant, depressant, or  
18 hallucinogenic effect on the central nervous system substantially  
19 similar to the stimulant, depressant, or hallucinogenic effect on the  
20 central nervous system of a controlled substance included in Schedule  
21 I or II.

22 (2) The term does not include:

23 (i) a controlled substance;

24 (ii) a substance for which there is an approved new drug  
25 application;

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

31 (iv) any substance to the extent not intended for human  
32 consumption before an exemption takes effect with respect to the  
33 substance.

34 (g) "Deliver" or "delivery(( $\tau$ ))" means the actual or constructive  
35 transfer from one person to another of a substance, whether or not  
36 there is an agency relationship.

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

38 (i) "Designated provider" has the meaning provided in RCW  
39 69.51A.010.

1 (j) "Dispense" means the interpretation of a prescription or  
2 order for a controlled substance and, pursuant to that prescription  
3 or order, the proper selection, measuring, compounding, labeling, or  
4 packaging necessary to prepare that prescription or order for  
5 delivery.

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

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

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

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

21 (o) "Drug enforcement administration" means the drug enforcement  
22 administration in the United States Department of Justice, or its  
23 successor agency.

24 (p) "Electronic communication of prescription information" means  
25 the transmission of a prescription or refill authorization for a drug  
26 of a practitioner using computer systems. The term does not include a  
27 prescription or refill authorization verbally transmitted by  
28 telephone nor a facsimile manually signed by the practitioner.

29 (q) "Immature plant or clone" means a plant or clone that has no  
30 flowers, is less than twelve inches in height, and is less than  
31 twelve inches in diameter.

32 (r) "Immediate precursor" means a substance:

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

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

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

1       ~~((r))~~ (s) "Isomer" means an optical isomer, but in subsection  
2       ~~((dd))~~ (ee)(5) of this section, RCW 69.50.204(a) (12) and (34), and  
3       69.50.206(b)(4), the term includes any geometrical isomer; in RCW  
4       69.50.204(a) (8) and (42), and 69.50.210(c) the term includes any  
5       positional isomer; and in RCW 69.50.204(a)(35), 69.50.204(c), and  
6       69.50.208(a) the term includes any positional or geometric isomer.

7       ~~((s))~~ (t) "Lot" means a definite quantity of marijuana,  
8       marijuana concentrates, useable marijuana, or marijuana-infused  
9       product identified by a lot number, every portion or package of which  
10      is uniform within recognized tolerances for the factors that appear  
11      in the labeling.

12      ~~((t))~~ (u) "Lot number" must identify the licensee by business  
13      or trade name and Washington state unified business identifier  
14      number, and the date of harvest or processing for each lot of  
15      marijuana, marijuana concentrates, useable marijuana, or marijuana-  
16      infused product.

17      ~~((u))~~ (v) "Manufacture" means the production, preparation,  
18      propagation, compounding, conversion, or processing of a controlled  
19      substance, either directly or indirectly or by extraction from  
20      substances of natural origin, or independently by means of chemical  
21      synthesis, or by a combination of extraction and chemical synthesis,  
22      and includes any packaging or repackaging of the substance or  
23      labeling or relabeling of its container. The term does not include  
24      the preparation, compounding, packaging, repackaging, labeling, or  
25      relabeling of a controlled substance:

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

29      (2) by a practitioner, or by the practitioner's authorized agent  
30      under the practitioner's supervision, for the purpose of, or as an  
31      incident to, research, teaching, or chemical analysis and not for  
32      sale.

33      ~~((v))~~ (w) "Marijuana" or "marihuana" means all parts of the  
34      plant *Cannabis*, whether growing or not, with a THC concentration  
35      greater than 0.3 percent on a dry weight basis; the seeds thereof;  
36      the resin extracted from any part of the plant; and every compound,  
37      manufacture, salt, derivative, mixture, or preparation of the plant,  
38      its seeds or resin. The term does not include the mature stalks of  
39      the plant, fiber produced from the stalks, oil or cake made from the  
40      seeds of the plant, any other compound, manufacture, salt,

1 derivative, mixture, or preparation of the mature stalks (except the  
2 resin extracted therefrom), fiber, oil, or cake, or the sterilized  
3 seed of the plant which is incapable of germination.

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

7 ~~((x))~~ (y) "Marijuana processor" means a person licensed by the  
8 state liquor and cannabis board to process marijuana into marijuana  
9 concentrates, useable marijuana, and marijuana-infused products,  
10 package and label marijuana concentrates, useable marijuana, and  
11 marijuana-infused products for sale in retail outlets, and sell  
12 marijuana concentrates, useable marijuana, and marijuana-infused  
13 products at wholesale to marijuana retailers.

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

17 ~~((z))~~ (aa) "Marijuana products" means useable marijuana,  
18 marijuana concentrates, and marijuana-infused products as defined in  
19 this section.

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

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

27 ~~((ee))~~ (dd) "Marijuana-infused products" means products that  
28 contain marijuana or marijuana extracts, are intended for human use,  
29 are derived from marijuana as defined in subsection ~~((v))~~ (w) of  
30 this section, and have a THC concentration no greater than ten  
31 percent. The term "marijuana-infused products" does not include  
32 either useable marijuana or marijuana concentrates.

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

37 (1) Opium, opium derivative, and any derivative of opium or opium  
38 derivative, including their salts, isomers, and salts of isomers,  
39 whenever the existence of the salts, isomers, and salts of isomers is



1 possible within the specific chemical designation. The term does not  
2 include the isoquinoline alkaloids of opium.

3 (2) Synthetic opiate and any derivative of synthetic opiate,  
4 including their isomers, esters, ethers, salts, and salts of isomers,  
5 esters, and ethers, whenever the existence of the isomers, esters,  
6 ethers, and salts is possible within the specific chemical  
7 designation.

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

9 (4) Coca leaves, except coca leaves and extracts of coca leaves  
10 from which cocaine, ecgonine, and derivatives or ecgonine or their  
11 salts have been removed.

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

13 (6) Cocaine base.

14 (7) Ecgonine, or any derivative, salt, isomer, or salt of isomer  
15 thereof.

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

18 ~~((ee))~~ (ff) "Opiate" means any substance having an addiction-  
19 forming or addiction-sustaining liability similar to morphine or  
20 being capable of conversion into a drug having addiction-forming or  
21 addiction-sustaining liability. The term includes opium, substances  
22 derived from opium (opium derivatives), and synthetic opiates. The  
23 term does not include, unless specifically designated as controlled  
24 under RCW 69.50.201, the dextrorotatory isomer of 3-methoxy-n-  
25 methylmorphinan and its salts (dextromethorphan). The term includes  
26 the racemic and levorotatory forms of dextromethorphan.

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

29 ~~((gg))~~ (hh) "Person" means individual, corporation, business  
30 trust, estate, trust, partnership, association, joint venture,  
31 government, governmental subdivision or agency, or any other legal or  
32 commercial entity.

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

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

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

37 (1) A physician under chapter 18.71 RCW; a physician assistant  
38 under chapter 18.71A RCW; an osteopathic physician and surgeon under  
39 chapter 18.57 RCW; an osteopathic physician assistant under chapter  
40 18.57A RCW who is licensed under RCW 18.57A.020 subject to any

1 limitations in RCW 18.57A.040; an optometrist licensed under chapter  
2 18.53 RCW who is certified by the optometry board under RCW 18.53.010  
3 subject to any limitations in RCW 18.53.010; a dentist under chapter  
4 18.32 RCW; a podiatric physician and surgeon under chapter 18.22 RCW;  
5 a veterinarian under chapter 18.92 RCW; a registered nurse, advanced  
6 registered nurse practitioner, or licensed practical nurse under  
7 chapter 18.79 RCW; a naturopathic physician under chapter 18.36A RCW  
8 who is licensed under RCW 18.36A.030 subject to any limitations in  
9 RCW 18.36A.040; a pharmacist under chapter 18.64 RCW or a scientific  
10 investigator under this chapter, licensed, registered or otherwise  
11 permitted insofar as is consistent with those licensing laws to  
12 distribute, dispense, conduct research with respect to or administer  
13 a controlled substance in the course of their professional practice  
14 or research in this state.

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

19 (3) A physician licensed to practice medicine and surgery, a  
20 physician licensed to practice osteopathic medicine and surgery, a  
21 dentist licensed to practice dentistry, a podiatric physician and  
22 surgeon licensed to practice podiatric medicine and surgery, a  
23 licensed physician assistant or a licensed osteopathic physician  
24 assistant specifically approved to prescribe controlled substances by  
25 his or her state's medical quality assurance commission or equivalent  
26 and his or her supervising physician, an advanced registered nurse  
27 practitioner licensed to prescribe controlled substances, or a  
28 veterinarian licensed to practice veterinary medicine in any state of  
29 the United States.

30 (~~(kk)~~) (ll) "Prescription" means an order for controlled  
31 substances issued by a practitioner duly authorized by law or rule in  
32 the state of Washington to prescribe controlled substances within the  
33 scope of his or her professional practice for a legitimate medical  
34 purpose.

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

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

39 (~~(nn)~~) (oo) "Recognition card" has the meaning provided in RCW  
40 69.51A.010.

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

4       ~~((+pp+))~~ (qq) "Secretary" means the secretary of health or the  
5 secretary's designee.

6       ~~((+qq+))~~ (rr) "State," unless the context otherwise requires,  
7 means a state of the United States, the District of Columbia, the  
8 Commonwealth of Puerto Rico, or a territory or insular possession  
9 subject to the jurisdiction of the United States.

10       ~~((+rr+))~~ (ss) "THC concentration" means percent of delta-9  
11 tetrahydrocannabinol content per dry weight of any part of the plant  
12 *Cannabis*, or per volume or weight of marijuana product, or the  
13 combined percent of delta-9 tetrahydrocannabinol and  
14 tetrahydrocannabinolic acid in any part of the plant *Cannabis*  
15 regardless of moisture content.

16       ~~((+ss+))~~ (tt) "Ultimate user" means an individual who lawfully  
17 possesses a controlled substance for the individual's own use or for  
18 the use of a member of the individual's household or for  
19 administering to an animal owned by the individual or by a member of  
20 the individual's household.

21       ~~((+tt+))~~ (uu) "Useable marijuana" means dried marijuana flowers.  
22 The term "useable marijuana" does not include either marijuana-  
23 infused products or marijuana concentrates.

24       **Sec. 6.** RCW 69.50.366 and 2015 c 207 s 8 are each amended to  
25 read as follows:

26       The following acts, when performed by a validly licensed  
27 marijuana producer or employee of a validly licensed marijuana  
28 producer in compliance with rules adopted by the state liquor  
29 ~~((+entrol+))~~ and cannabis board to implement and enforce this chapter  
30 ~~((3, Laws of 2013))~~, do not constitute criminal or civil offenses  
31 under Washington state law:

32       (1) Production or possession of quantities of marijuana that do  
33 not exceed the maximum amounts established by the state liquor  
34 ~~((+entrol+))~~ and cannabis board under RCW 69.50.345(3);

35       (2) Delivery, distribution, and sale of marijuana to a marijuana  
36 processor or another marijuana producer validly licensed under this  
37 chapter ~~((3, Laws of 2013))~~; ~~((and))~~

38       (3) Delivery, distribution, and sale of immature plants or clones  
39 and marijuana seeds to a licensed marijuana researcher, and to

1 receive or purchase immature plants or clones and seeds from a  
2 licensed marijuana researcher; and

3 (4) Delivery, distribution, and sale of marijuana or useable  
4 marijuana to a federally recognized Indian tribe as permitted under  
5 an agreement between the state and the tribe entered into under RCW  
6 43.06.490.

7 **Sec. 7.** RCW 69.50.382 and 2015 2nd sp.s. c 4 s 501 are each  
8 amended to read as follows:

9 (1) A licensed marijuana producer, marijuana processor, marijuana  
10 researcher, or marijuana retailer, or their employees, in accordance  
11 with the requirements of this chapter and the administrative rules  
12 adopted thereunder, may use the services of a common carrier subject  
13 to regulation under chapters 81.28 and 81.29 RCW and licensed in  
14 compliance with the regulations established under RCW 69.50.385, to  
15 physically transport or deliver, as authorized under this chapter,  
16 marijuana, useable marijuana, marijuana concentrates, immature plants  
17 or clones, marijuana seeds, and marijuana-infused products between  
18 licensed marijuana businesses located within the state.

19 (2) An employee of a common carrier engaged in marijuana-related  
20 transportation or delivery services authorized under subsection (1)  
21 of this section is prohibited from carrying or using a firearm during  
22 the course of providing such services, unless:

23 (a) Pursuant to RCW 69.50.385, the state liquor and cannabis  
24 board explicitly authorizes the carrying or use of firearms by such  
25 employee while engaged in the transportation or delivery services;

26 (b) The employee has an armed private security guard license  
27 issued pursuant to RCW 18.170.040; and

28 (c) The employee is in full compliance with the regulations  
29 established by the state liquor and cannabis board under RCW  
30 69.50.385.

31 (3) A common carrier licensed under RCW 69.50.385 may, for the  
32 purpose of transporting and delivering marijuana, useable marijuana,  
33 marijuana concentrates, and marijuana-infused products, utilize  
34 Washington state ferry routes for such transportation and delivery.

35 (4) The possession of marijuana, useable marijuana, marijuana  
36 concentrates, and marijuana-infused products being physically  
37 transported or delivered within the state, in amounts not exceeding  
38 those that may be established under RCW 69.50.385(3), by a licensed  
39 employee of a common carrier when performing the duties authorized

1 under, and in accordance with, this section and RCW 69.50.385, is not  
2 a violation of this section, this chapter, or any other provision of  
3 Washington state law.

4 **Sec. 8.** RCW 69.51A.250 and 2016 c 170 s 2 are each amended to  
5 read as follows:

6 (1) Qualifying patients or designated providers may form a  
7 cooperative and share responsibility for acquiring and supplying the  
8 resources needed to produce and process marijuana only for the  
9 medical use of members of the cooperative. No more than four  
10 qualifying patients or designated providers may become members of a  
11 cooperative under this section and all members must hold valid  
12 recognition cards. All members of the cooperative must be at least  
13 twenty-one years old. The designated provider of a qualifying patient  
14 who is under twenty-one years old may be a member of a cooperative on  
15 the qualifying patient's behalf. All plants grown in the cooperative  
16 must be (~~purchased or cloned~~) from an immature plant or clone  
17 purchased from a licensed marijuana producer as defined in RCW  
18 69.50.101. Cooperatives may also purchase marijuana seeds from a  
19 licensed marijuana producer.

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

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

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

32 (b) Within the smaller of either:

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

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

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

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

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

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

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

26 (b) May only participate in one cooperative;

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

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

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

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

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

3 (a) Any security requirements necessary to ensure the safety of  
4 the cooperative and to reduce the risk of diversion from the  
5 cooperative;

6 (b) A seed to sale traceability model that is similar to the seed  
7 to sale traceability model used by licensees that will allow the  
8 state liquor and cannabis board to track all marijuana grown in a  
9 cooperative.

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

15 NEW SECTION. **Sec. 9.** A new section is added to chapter 15.120  
16 RCW to read as follows:

17 The department and the state liquor and cannabis board must  
18 collaboratively study the feasibility and practicality of  
19 implementing a legislatively authorized regulatory framework allowing  
20 industrial hemp produced in accordance with the requirements of this  
21 chapter to be sold or transferred to marijuana processors, licensed  
22 under chapter 69.50 RCW, for processing into industrial hemp or  
23 marijuana products to be sold at retail for human consumption.

24 NEW SECTION. **Sec. 10.** A new section is added to chapter 15.120  
25 RCW to read as follows:

26 The department is granted the rule-making authority necessary to  
27 implement and enforce the provisions of this chapter. This includes  
28 the authority to impose monetary penalties, license suspension or  
29 forfeiture, or other sanctions for violations of statutory and  
30 regulatory requirements. The rules adopted by the department must be  
31 consistent with section 7606 of the federal agricultural act of 2014  
32 (128 Stat. 649, 912; 7 U.S.C. Sec. 5940).

33 NEW SECTION. **Sec. 11.** A new section is added to chapter 69.51A  
34 RCW to read as follows:

35 Qualifying patients and designated providers, who hold a  
36 recognition card and have been entered into the medical marijuana  
37 authorization database, may purchase immature plants or clones from a

1 licensed marijuana producer as defined in RCW 69.50.101. Qualifying  
2 patients and designated providers may also purchase marijuana seeds  
3 from a licensed marijuana producer.

4 NEW SECTION. **Sec. 12.** The legislature finds that protecting the  
5 state's children, youth, and young adults under the legal age to  
6 purchase and consume marijuana, by establishing limited restrictions  
7 on the advertising of marijuana and marijuana products, is necessary  
8 to assist the state's efforts to discourage and prevent underage  
9 consumption and the potential risks associated with underage  
10 consumption. The legislature finds that these restrictions assist the  
11 state in maintaining a strong and effective regulatory and  
12 enforcement system as specified by the federal government. The  
13 legislature finds this act leaves ample opportunities for licensed  
14 marijuana businesses to market their products to those who are of  
15 legal age to purchase them, without infringing on the free speech  
16 rights of business owners. Finally, the legislature finds that the  
17 state has a substantial and compelling interest in enacting this act  
18 aimed at protecting Washington's children, youth, and young adults.

19 **Sec. 13.** RCW 69.50.357 and 2016 c 171 s 1 are each amended to  
20 read as follows:

21 (1) Retail outlets may not sell products or services other than  
22 marijuana concentrates, useable marijuana, marijuana-infused  
23 products, or paraphernalia intended for the storage or use of  
24 marijuana concentrates, useable marijuana, or marijuana-infused  
25 products.

26 (2) Licensed marijuana retailers may not employ persons under  
27 twenty-one years of age or allow persons under twenty-one years of  
28 age to enter or remain on the premises of a retail outlet. However,  
29 qualifying patients between eighteen and twenty-one years of age with  
30 a recognition card may enter and remain on the premises of a retail  
31 outlet holding a medical marijuana endorsement and may purchase  
32 products for their personal medical use. Qualifying patients who are  
33 under the age of eighteen with a recognition card and who accompany  
34 their designated providers may enter and remain on the premises of a  
35 retail outlet holding a medical marijuana endorsement, but may not  
36 purchase products for their personal medical use.

37 (3)(a) Licensed marijuana retailers must ensure that all  
38 employees are trained on the rules adopted to implement this chapter,



1 identification of persons under the age of twenty-one, and other  
2 requirements adopted by the state liquor and cannabis board to ensure  
3 that persons under the age of twenty-one are not permitted to enter  
4 or remain on the premises of a retail outlet.

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

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

22 ~~(5))~~ Except for the purposes of disposal as authorized by the  
23 state liquor and cannabis board, no licensed marijuana retailer or  
24 employee of a retail outlet may open or consume, or allow to be  
25 opened or consumed, any marijuana concentrates, useable marijuana, or  
26 marijuana-infused product on the outlet premises.

27 ~~((6))~~ (5) The state liquor and cannabis board must fine a  
28 licensee one thousand dollars for each violation of any subsection of  
29 this section. Fines collected under this section must be deposited  
30 into the dedicated marijuana account created under RCW 69.50.530.

31 **Sec. 14.** RCW 69.50.369 and 2015 2nd sp.s. c 4 s 204 are each  
32 amended to read as follows:

33 (1) No licensed marijuana producer, processor, researcher, or  
34 retailer may place or maintain, or cause to be placed or maintained,  
35 ~~((a))~~ any sign or other advertisement ~~((e))~~ for a marijuana~~((r))~~  
36 business or marijuana product, including useable marijuana, marijuana  
37 concentrates, or ~~((a))~~ marijuana-infused product, in any form or  
38 through any medium whatsoever~~((r))~~

1       ~~(a)) within one thousand feet of the perimeter of a school~~  
2 grounds, playground, recreation center or facility, child care  
3 center, public park, or library, or any game arcade admission to  
4 which is not restricted to persons aged twenty-one years or older(~~(+~~

5       ~~(b) On or in a public transit vehicle or public transit shelter;~~  
6 ~~or~~

7       ~~(c) On or in a publicly owned or operated property)).~~

8       (2) Except for the use of billboards as authorized under this  
9 section, licensed marijuana retailers may not display any signage  
10 outside of the licensed premises, other than two signs identifying  
11 the retail outlet by the licensee's business or trade name, stating  
12 the location of the business, and identifying the nature of the  
13 business. Each sign must be no larger than one thousand six hundred  
14 square inches and be permanently affixed to a building or other  
15 structure. The location and content of the retail marijuana signs  
16 authorized under this subsection are subject to all other  
17 requirements and restrictions established in this section for indoor  
18 signs, outdoor signs, and other marijuana-related advertising  
19 methods.

20       (3) A marijuana licensee may not utilize transit advertisements  
21 for the purpose of advertising its business or product line. "Transit  
22 advertisements" means advertising on or within private or public  
23 vehicles and all advertisements placed at, on, or within any bus  
24 stop, taxi stand, transportation waiting area, train station,  
25 airport, or any similar transit-related location.

26       (4) A marijuana licensee may not engage in advertising or other  
27 marketing practice that specifically targets persons residing outside  
28 of the state of Washington.

29       (5) All signs, billboards, or other print advertising for  
30 marijuana businesses or marijuana products must contain text stating  
31 that marijuana products may be purchased or possessed only by persons  
32 twenty-one years of age or older.

33       (6) A marijuana licensee may not:

34       (a) Take any action, directly or indirectly, to target youth in  
35 the advertising, promotion, or marketing of marijuana and marijuana  
36 products, or take any action the primary purpose of which is to  
37 initiate, maintain, or increase the incidence of youth use of  
38 marijuana or marijuana products;

39       (b) Use objects such as toys or inflatables, movie or cartoon  
40 characters, or any other depiction or image likely to be appealing to

1 youth, where such objects, images, or depictions indicate an intent  
2 to cause youth to become interested in the purchase or consumption of  
3 marijuana products; or

4 (c) Use or employ a commercial mascot outside of, and in  
5 proximity to, a licensed marijuana business. A "commercial mascot"  
6 means live human being, animal, or mechanical device used for  
7 attracting the attention of motorists and passersby so as to make  
8 them aware of marijuana products or the presence of a marijuana  
9 business. Commercial mascots include, but are not limited to,  
10 inflatable tube displays, persons in costume, or wearing, holding, or  
11 spinning a sign with a marijuana-related commercial message or image,  
12 where the intent is to draw attention to a marijuana business or its  
13 products.

14 (7) A marijuana licensee that engages in outdoor advertising is  
15 subject to the advertising requirements and restrictions set forth in  
16 this subsection (7) and elsewhere in this chapter.

17 (a) All outdoor advertising signs, including billboards, are  
18 limited to text that identifies the retail outlet by the licensee's  
19 business or trade name, states the location of the business, and  
20 identifies the type or nature of the business. Such signs may not  
21 contain any depictions of marijuana plants, marijuana products, or  
22 images that might be appealing to children. The state liquor and  
23 cannabis board is granted rule-making authority to regulate the text  
24 and images that are permissible on outdoor advertising. Such rule  
25 making must be consistent with other administrative rules generally  
26 applicable to the advertising of marijuana businesses and products.

27 (b) Outdoor advertising is prohibited:

28 (i) On signs and placards in arenas, stadiums, shopping malls,  
29 fairs that receive state allocations, farmers markets, and video game  
30 arcades, whether any of the foregoing are open air or enclosed, but  
31 not including any such sign or placard located in an adult only  
32 facility; and

33 (ii) Billboards that are visible from any street, road, highway,  
34 right-of-way, or public parking area are prohibited, except as  
35 provided in (c) of this subsection.

36 (c) Licensed retail outlets may use a billboard or outdoor sign  
37 solely for the purpose of identifying the name of the business, the  
38 nature of the business, and providing the public with directional  
39 information to the licensed retail outlet. Billboard advertising is

1 subject to the same requirements and restrictions as set forth in (a)  
2 of this subsection.

3 (d) Advertising signs within the premises of a retail marijuana  
4 business outlet that are visible to the public from outside the  
5 premises must meet the signage regulations and requirements  
6 applicable to outdoor signs as set forth in this section.

7 (e) The restrictions and regulations applicable to outdoor  
8 advertising under this section are not applicable to:

9 (i) An advertisement inside a licensed retail establishment that  
10 sells marijuana products that is not placed on the inside surface of  
11 a window facing outward; or

12 (ii) An outdoor advertisement at the site of an event to be held  
13 at an adult only facility that is placed at such site during the  
14 period the facility or enclosed area constitutes an adult only  
15 facility, but in no event more than fourteen days before the event,  
16 and that does not advertise any marijuana product other than by using  
17 a brand name to identify the event.

18 (8) Merchandising within a retail outlet is not advertising for  
19 the purposes of this section.

20 ~~((+3))~~ (9) This section does not apply to a noncommercial  
21 message.

22 ~~((+4))~~ (10)(a) The state liquor and cannabis board must:

23 (i) Adopt rules implementing this section and specifically  
24 including provisions regulating the billboards and outdoor signs  
25 authorized under this section; and

26 (ii) Fine a licensee one thousand dollars for each violation of  
27 ~~((subsection (1) of))~~ this section until the state liquor and  
28 cannabis board adopts rules prescribing penalties for violations of  
29 this section. The rules must establish escalating penalties including  
30 finer and up to suspension or revocation of a marijuana license for  
31 subsequent violations.

32 (b) Fines collected under this subsection must be deposited into  
33 the dedicated marijuana account created under RCW 69.50.530.

34 (11) A city, town, or county may adopt rules of outdoor  
35 advertising by licensed marijuana retailers that are more restrictive  
36 than the advertising restrictions imposed under this chapter.  
37 Enforcement of restrictions to advertising by a city, town, or county  
38 is the responsibility of the city, town, or county.

1       **Sec. 15.** RCW 69.50.4013 and 2015 2nd sp.s. c 4 s 503 are each  
2 amended to read as follows:

3       (1) It is unlawful for any person to possess a controlled  
4 substance unless the substance was obtained directly from, or  
5 pursuant to, a valid prescription or order of a practitioner while  
6 acting in the course of his or her professional practice, or except  
7 as otherwise authorized by this chapter.

8       (2) Except as provided in RCW 69.50.4014, any person who violates  
9 this section is guilty of a class C felony punishable under chapter  
10 9A.20 RCW.

11       (3)(a) The possession, by a person twenty-one years of age or  
12 older, of useable marijuana, marijuana concentrates, or marijuana-  
13 infused products in amounts that do not exceed those set forth in RCW  
14 69.50.360(3) is not a violation of this section, this chapter, or any  
15 other provision of Washington state law.

16       (b) The possession of marijuana, useable marijuana, marijuana  
17 concentrates, and marijuana-infused products being physically  
18 transported or delivered within the state, in amounts not exceeding  
19 those that may be established under RCW 69.50.385(3), by a licensed  
20 employee of a common carrier when performing the duties authorized in  
21 accordance with RCW 69.50.382 and 69.50.385, is not a violation of  
22 this section, this chapter, or any other provision of Washington  
23 state law.

24       (4)(a) The delivery by a person twenty-one years of age or older  
25 to one or more persons twenty-one years of age or older, during a  
26 single twenty-four hour period, for noncommercial purposes and not  
27 conditioned upon or done in connection with the provision or receipt  
28 of financial consideration, of any of the following marijuana  
29 products, is not a violation of this section, this chapter, or any  
30 other provisions of Washington state law:

31       (i) One-half ounce of useable marijuana;

32       (ii) Eight ounces of marijuana-infused product in solid form;

33       (iii) Thirty-six ounces of marijuana-infused product in liquid  
34 form; or

35       (iv) Three and one-half grams of marijuana concentrates.

36       (b) The act of delivering marijuana or a marijuana product as  
37 authorized under this subsection (4) must meet one of the following  
38 requirements:

39       (i) The delivery must be done in a location outside of the view  
40 of general public and in a nonpublic place; or

1 (ii) The marijuana or marijuana product must be in the original  
2 packaging as purchased from the marijuana retailer.

3 (5) No person under twenty-one years of age may possess,  
4 manufacture, sell, or distribute marijuana, marijuana-infused  
5 products, or marijuana concentrates, regardless of THC concentration.  
6 This does not include qualifying patients with a valid authorization.

7 ~~((+5+))~~ (6) The possession by a qualifying patient or designated  
8 provider of marijuana concentrates, useable marijuana, marijuana-  
9 infused products, or plants in accordance with chapter 69.51A RCW is  
10 not a violation of this section, this chapter, or any other provision  
11 of Washington state law.

12 NEW SECTION. **Sec. 16.** A new section is added to chapter 69.50  
13 RCW to read as follows:

14 (1) A licensed marijuana business may enter into a licensing  
15 agreement, or consulting contract, with any individual, partnership,  
16 employee cooperative, association, nonprofit corporation, or  
17 corporation, for:

18 (a) Any goods or services that are registered as a trademark  
19 under federal law or under chapter 19.77 RCW;

20 (b) Any unregistered trademark, trade name, or trade dress; or

21 (c) Any trade secret, technology, or proprietary information used  
22 to manufacture a cannabis product or used to provide a service  
23 related to a marijuana business.

24 (2) All agreements or contracts entered into by a licensed  
25 marijuana business, as authorized under this section, must be  
26 disclosed to the state liquor and cannabis board.

27 **Sec. 17.** RCW 42.56.270 and 2016 sp.s. c 9 s 3, 2016 sp.s. c 8 s  
28 1, and 2016 c 178 s 1 are each reenacted and amended to read as  
29 follows:

30 The following financial, commercial, and proprietary information  
31 is exempt from disclosure under this chapter:

32 (1) Valuable formulae, designs, drawings, computer source code or  
33 object code, and research data obtained by any agency within five  
34 years of the request for disclosure when disclosure would produce  
35 private gain and public loss;

36 (2) Financial information supplied by or on behalf of a person,  
37 firm, or corporation for the purpose of qualifying to submit a bid or  
38 proposal for (a) a ferry system construction or repair contract as

1 required by RCW 47.60.680 through 47.60.750 or (b) highway  
2 construction or improvement as required by RCW 47.28.070;

3 (3) Financial and commercial information and records supplied by  
4 private persons pertaining to export services provided under chapters  
5 43.163 and 53.31 RCW, and by persons pertaining to export projects  
6 under RCW 43.23.035;

7 (4) Financial and commercial information and records supplied by  
8 businesses or individuals during application for loans or program  
9 services provided by chapters 43.325, 43.163, 43.160, 43.330, and  
10 43.168 RCW, or during application for economic development loans or  
11 program services provided by any local agency;

12 (5) Financial information, business plans, examination reports,  
13 and any information produced or obtained in evaluating or examining a  
14 business and industrial development corporation organized or seeking  
15 certification under chapter 31.24 RCW;

16 (6) Financial and commercial information supplied to the state  
17 investment board by any person when the information relates to the  
18 investment of public trust or retirement funds and when disclosure  
19 would result in loss to such funds or in private loss to the  
20 providers of this information;

21 (7) Financial and valuable trade information under RCW 51.36.120;

22 (8) Financial, commercial, operations, and technical and research  
23 information and data submitted to or obtained by the clean Washington  
24 center in applications for, or delivery of, program services under  
25 chapter 70.95H RCW;

26 (9) Financial and commercial information requested by the public  
27 stadium authority from any person or organization that leases or uses  
28 the stadium and exhibition center as defined in RCW 36.102.010;

29 (10)(a) Financial information, including but not limited to  
30 account numbers and values, and other identification numbers supplied  
31 by or on behalf of a person, firm, corporation, limited liability  
32 company, partnership, or other entity related to an application for a  
33 horse racing license submitted pursuant to RCW 67.16.260(1)(b),  
34 marijuana producer, processor, or retailer license, liquor license,  
35 gambling license, or lottery retail license;

36 (b) Internal control documents, independent auditors' reports and  
37 financial statements, and supporting documents: (i) Of house-banked  
38 social card game licensees required by the gambling commission  
39 pursuant to rules adopted under chapter 9.46 RCW; or (ii) submitted  
40 by tribes with an approved tribal/state compact for class III gaming;

1 (11) Proprietary data, trade secrets, or other information that  
2 relates to: (a) A vendor's unique methods of conducting business; (b)  
3 data unique to the product or services of the vendor; or (c)  
4 determining prices or rates to be charged for services, submitted by  
5 any vendor to the department of social and health services for  
6 purposes of the development, acquisition, or implementation of state  
7 purchased health care as defined in RCW 41.05.011;

8 (12)(a) When supplied to and in the records of the department of  
9 commerce:

10 (i) Financial and proprietary information collected from any  
11 person and provided to the department of commerce pursuant to RCW  
12 43.330.050(8); and

13 (ii) Financial or proprietary information collected from any  
14 person and provided to the department of commerce or the office of  
15 the governor in connection with the siting, recruitment, expansion,  
16 retention, or relocation of that person's business and until a siting  
17 decision is made, identifying information of any person supplying  
18 information under this subsection and the locations being considered  
19 for siting, relocation, or expansion of a business;

20 (b) When developed by the department of commerce based on  
21 information as described in (a)(i) of this subsection, any work  
22 product is not exempt from disclosure;

23 (c) For the purposes of this subsection, "siting decision" means  
24 the decision to acquire or not to acquire a site;

25 (d) If there is no written contact for a period of sixty days to  
26 the department of commerce from a person connected with siting,  
27 recruitment, expansion, retention, or relocation of that person's  
28 business, information described in (a)(ii) of this subsection will be  
29 available to the public under this chapter;

30 (13) Financial and proprietary information submitted to or  
31 obtained by the department of ecology or the authority created under  
32 chapter 70.95N RCW to implement chapter 70.95N RCW;

33 (14) Financial, commercial, operations, and technical and  
34 research information and data submitted to or obtained by the life  
35 sciences discovery fund authority in applications for, or delivery  
36 of, grants under chapter 43.350 RCW, to the extent that such  
37 information, if revealed, would reasonably be expected to result in  
38 private loss to the providers of this information;

39 (15) Financial and commercial information provided as evidence to  
40 the department of licensing as required by RCW 19.112.110 or



1 19.112.120, except information disclosed in aggregate form that does  
2 not permit the identification of information related to individual  
3 fuel licensees;

4 (16) Any production records, mineral assessments, and trade  
5 secrets submitted by a permit holder, mine operator, or landowner to  
6 the department of natural resources under RCW 78.44.085;

7 (17)(a) Farm plans developed by conservation districts, unless  
8 permission to release the farm plan is granted by the landowner or  
9 operator who requested the plan, or the farm plan is used for the  
10 application or issuance of a permit;

11 (b) Farm plans developed under chapter 90.48 RCW and not under  
12 the federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject  
13 to RCW 42.56.610 and 90.64.190;

14 (18) Financial, commercial, operations, and technical and  
15 research information and data submitted to or obtained by a health  
16 sciences and services authority in applications for, or delivery of,  
17 grants under RCW 35.104.010 through 35.104.060, to the extent that  
18 such information, if revealed, would reasonably be expected to result  
19 in private loss to providers of this information;

20 (19) Information gathered under chapter 19.85 RCW or RCW  
21 34.05.328 that can be identified to a particular business;

22 (20) Financial and commercial information submitted to or  
23 obtained by the University of Washington, other than information the  
24 university is required to disclose under RCW 28B.20.150, when the  
25 information relates to investments in private funds, to the extent  
26 that such information, if revealed, would reasonably be expected to  
27 result in loss to the University of Washington consolidated endowment  
28 fund or to result in private loss to the providers of this  
29 information;

30 (21) Market share data submitted by a manufacturer under RCW  
31 70.95N.190(4);

32 (22) Financial information supplied to the department of  
33 financial institutions or to a portal under RCW 21.20.883, when filed  
34 by or on behalf of an issuer of securities for the purpose of  
35 obtaining the exemption from state securities registration for small  
36 securities offerings provided under RCW 21.20.880 or when filed by or  
37 on behalf of an investor for the purpose of purchasing such  
38 securities;

39 (23) Unaggregated or individual notices of a transfer of crude  
40 oil that is financial, proprietary, or commercial information,

1 submitted to the department of ecology pursuant to RCW  
2 90.56.565(1)(a), and that is in the possession of the department of  
3 ecology or any entity with which the department of ecology has shared  
4 the notice pursuant to RCW 90.56.565;

5 (24) Financial institution and retirement account information,  
6 and building security plan information, supplied to the liquor and  
7 cannabis board pursuant to RCW 69.50.325, 69.50.331, 69.50.342, and  
8 69.50.345, when filed by or on behalf of a licensee or prospective  
9 licensee for the purpose of obtaining, maintaining, or renewing a  
10 license to produce, process, transport, or sell marijuana as allowed  
11 under chapter 69.50 RCW; (~~and~~))

12 (25) Marijuana transport information, vehicle and driver  
13 identification data, and account numbers or unique access identifiers  
14 issued to private entities for traceability system access, submitted  
15 by an individual or business to the liquor and cannabis board under  
16 the requirements of RCW 69.50.325, 69.50.331, 69.50.342, and  
17 69.50.345 for the purpose of marijuana product traceability.  
18 Disclosure to local, state, and federal officials is not considered  
19 public disclosure for purposes of this section; (~~and~~))

20 (26) Financial and commercial information submitted to or  
21 obtained by the retirement board of any city that is responsible for  
22 the management of an employees' retirement system pursuant to the  
23 authority of chapter 35.39 RCW, when the information relates to  
24 investments in private funds, to the extent that such information, if  
25 revealed, would reasonably be expected to result in loss to the  
26 retirement fund or to result in private loss to the providers of this  
27 information except that (a) the names and commitment amounts of the  
28 private funds in which retirement funds are invested and (b) the  
29 aggregate quarterly performance results for a retirement fund's  
30 portfolio of investments in such funds are subject to disclosure;  
31 (~~and~~))

32 (27) Proprietary financial, commercial, operations, and technical  
33 and research information and data submitted to or obtained by the  
34 liquor and cannabis board in applications for marijuana research  
35 licenses under RCW 69.50.372, or in reports submitted by marijuana  
36 research licensees in accordance with rules adopted by the liquor and  
37 cannabis board under RCW 69.50.372; and

38 (28) Trade secrets, technology, proprietary information, and  
39 financial considerations contained in any agreements or contracts,  
40 entered into by a licensed marijuana business under section 16 of

1 this act, which may be submitted to or obtained by the state liquor  
2 and cannabis board.

3 NEW SECTION. **Sec. 18.** The definitions in this section apply  
4 throughout this chapter unless the context clearly requires  
5 otherwise.

6 (1) "Board" means the state liquor and cannabis board.

7 (2) "Licensee facilities" means any premises regulated by the  
8 board for producing, processing, or retailing marijuana or marijuana  
9 products.

10 (3) "Marijuana" has the meaning provided in RCW 69.50.101.

11 (4) "Marijuana processor" has the meaning provided in RCW  
12 69.50.101.

13 (5) "Marijuana producer" has the meaning provided in RCW  
14 69.50.101.

15 (6) "Marijuana products" has the meaning provided in RCW  
16 69.50.101.

17 (7) "Marijuana retailer" has the meaning provided in RCW  
18 69.50.101.

19 (8) "Person" means any natural person, firm, partnership,  
20 association, private or public corporation, governmental entity, or  
21 other business entity.

22 NEW SECTION. **Sec. 19.** (1) The department may adopt rules  
23 establishing:

24 (a) Standards for marijuana and marijuana products produced and  
25 processed in a manner consistent with, to the extent practicable, 7  
26 C.F.R. Part 205;

27 (b) A self-sustaining program for certifying marijuana producers  
28 and marijuana processors as meeting the standards established under  
29 (a) of this subsection; and

30 (c) Other rules as necessary for administration of this chapter.

31 (2) To the extent practicable, the program must be consistent  
32 with the program established by the director under chapter 15.86 RCW.

33 (3) The rules must include a fee schedule that will provide for  
34 the recovery of the full cost of the program including, but not  
35 limited to, application processing, inspections, sampling and  
36 testing, notifications, public awareness programs, and enforcement.

1        NEW SECTION.    **Sec. 20.**    (1) No marijuana or marijuana product may  
2 be labeled, sold, or represented as produced or processed under the  
3 standards established under this chapter unless produced or processed  
4 by a person certified by the department under the program established  
5 under this chapter.

6        (2) No person may represent, sell, or offer for sale any  
7 marijuana or marijuana products as produced or processed under  
8 standards adopted under this chapter if the person knows, or has  
9 reason to know, that the marijuana or marijuana product has not been  
10 produced or processed in conformance with the standards established  
11 under this chapter.

12        (3) No person may represent, sell, or offer for sale any  
13 marijuana or marijuana products as "organic products" as that term  
14 has meaning under chapter 15.86 RCW.

15        NEW SECTION.    **Sec. 21.**    (1) The department may inspect licensee  
16 facilities to verify compliance with this chapter and rules adopted  
17 under it.

18        (2) The department may deny, suspend, or revoke a certification  
19 provided for in this chapter if the department determines that an  
20 applicant or certified person has violated this chapter or rules  
21 adopted under it.

22        (3) The department may impose on and collect from any person who  
23 has violated this chapter or rules adopted under it a civil fine not  
24 exceeding the total of:

25        (a) The state's estimated costs of investigating and taking  
26 appropriate administrative and enforcement actions for the violation;  
27 and

28        (b) One thousand dollars.

29        (4) The board may take enforcement actions against a marijuana  
30 producer, marijuana processor, or marijuana retailer license issued  
31 by the board, including suspension or revocation of the license, when  
32 a licensee continues to violate this chapter after revocation of its  
33 certification or, if uncertified, receiving written notice from the  
34 department of certification requirements.

35        (5) The provisions of this chapter are cumulative and  
36 nonexclusive and do not affect any other remedy at law.

37        NEW SECTION.    **Sec. 22.**    Information about marijuana producers,  
38 marijuana processors, and marijuana retailers otherwise exempt from

1 public inspection and copying under chapter 42.56 RCW is also exempt  
2 from public inspection and copying if submitted to or used by the  
3 department.

4 NEW SECTION. **Sec. 23.** All fees collected under this chapter  
5 must be deposited in an account within the agricultural local fund.  
6 The revenue from the fees must be used solely for carrying out the  
7 provisions of this chapter, and no appropriation is required for  
8 disbursement from the fund.

9 NEW SECTION. **Sec. 24.** (1) The state liquor and cannabis board  
10 must conduct a study of regulatory options for the legalization of  
11 marijuana plant possession and cultivation by recreational marijuana  
12 users. In conducting the study, the state liquor and cannabis board  
13 must consider the federal guidelines provided by the Cole memorandum,  
14 issued by the United States department of justice on August 29, 2013,  
15 which allows individual states to implement marijuana legalization  
16 policies, provided such states enact strong and effective regulatory  
17 and enforcement systems that address public safety, public health,  
18 and law enforcement concerns as outlined in the memorandum.

19 (2) Not later than December 1, 2017, the state liquor and  
20 cannabis board must provide the appropriate committees of the  
21 legislature written findings and recommendations regarding the  
22 adoption and implementation of a regulatory and enforcement system  
23 for the legalization of marijuana plant possession and cultivation by  
24 recreational marijuana users, in light of the guidelines set forth in  
25 the federal Cole memorandum.

26 (3) The study, findings, and recommendations required under this  
27 section must be done through the use of the existing resources of the  
28 state liquor and cannabis board.

29 NEW SECTION. **Sec. 25.** This act applies prospectively only and  
30 not retroactively. It applies only to causes of action that arise (if  
31 change is substantive) or that are commenced (if change is  
32 procedural) on or after the effective date of this section.

33 NEW SECTION. **Sec. 26.** If any provision of this act or its  
34 application to any person or circumstance is held invalid, the  
35 remainder of the act or the application of the provision to other  
36 persons or circumstances is not affected.

1        NEW SECTION.     **Sec. 27.**     Sections 18 through 23 of this act  
2     constitute a new chapter in Title 15 RCW."

3        On page 1, line 5 of the title, after "requirements;" strike the  
4     remainder of the title and insert "amending RCW 69.50.325, 69.50.331,  
5     69.50.372, 66.08.100, 69.50.366, 69.50.382, 69.51A.250, 69.50.357,  
6     69.50.369, and 69.50.4013; reenacting and amending RCW 69.50.101 and  
7     42.56.270; adding new sections to chapter 15.120 RCW; adding a new  
8     section to chapter 69.51A RCW; adding a new section to chapter 69.50  
9     RCW; adding a new chapter to Title 15 RCW; creating new sections; and  
10    prescribing penalties."

--- END ---