

ESSB 5131 - H COMM AMD

By Committee on Appropriations

ADOPTED AND ENGROSSED 4/11/17

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

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

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

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

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

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

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

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

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

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

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

25 (v) The board may not require license forfeiture if the licensee
26 has been incapable of opening a fully operational retail marijuana
27 business due to actions by the city, town, or county with
28 jurisdiction over the licensee that include any of the following:

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

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

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

38 (1) For the purpose of considering any application for a license
39 to produce, process, research, transport, or deliver marijuana,

1 useable marijuana, marijuana concentrates, or marijuana-infused
2 products subject to the regulations established under RCW 69.50.385,
3 or sell marijuana, or for the renewal of a license to produce,
4 process, research, transport, or deliver marijuana, useable
5 marijuana, marijuana concentrates, or marijuana-infused products
6 subject to the regulations established under RCW 69.50.385, or sell
7 marijuana, the state liquor and cannabis board must conduct a
8 comprehensive, fair, and impartial evaluation of the applications
9 timely received. As part of the licensing application and renewal
10 process, the board must review and report demographic data regarding
11 the race, ethnic background, and gender of the applicants for the
12 licenses authorized under this chapter.

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

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

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

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

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

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

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

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

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

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

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

39 ~~(b))~~ The state liquor and cannabis board may cause an inspection
40 of the premises to be made, and may inquire into all matters in

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

26 ((+e)) (b) No license of any kind may be issued to:

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

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

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

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

38 (2)(a) The state liquor and cannabis board may, in its
39 discretion, subject to the provisions of RCW 69.50.334, suspend or
40 cancel any license; and all protections of the licensee from criminal

1 or civil sanctions under state law for producing, processing,
2 researching, or selling marijuana, marijuana concentrates, useable
3 marijuana, or marijuana-infused products thereunder must be suspended
4 or terminated, as the case may be.

5 (b) The state liquor and cannabis board must immediately suspend
6 the license of a person who has been certified pursuant to RCW
7 74.20A.320 by the department of social and health services as a
8 person who is not in compliance with a support order. If the person
9 has continued to meet all other requirements for reinstatement during
10 the suspension, reissuance of the license is automatic upon the state
11 liquor and cannabis board's receipt of a release issued by the
12 department of social and health services stating that the licensee is
13 in compliance with the order.

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

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

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

37 (3) Upon receipt of notice of the suspension or cancellation of a
38 license, the licensee must forthwith deliver up the license to the
39 state liquor and cannabis board. Where the license has been suspended
40 only, the state liquor and cannabis board must return the license to

1 the licensee at the expiration or termination of the period of
2 suspension. The state liquor and cannabis board must notify all other
3 licensees in the county where the subject licensee has its premises
4 of the suspension or cancellation of the license; and no other
5 licensee or employee of another licensee may allow or cause any
6 marijuana, marijuana concentrates, useable marijuana, or marijuana-
7 infused products to be delivered to or for any person at the premises
8 of the subject licensee.

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

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

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

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

30 (b) The incorporated city or town through the official or
31 employee selected by it, ~~((or))~~ the county legislative authority or
32 the official or employee selected by it, the tribal government, or
33 port authority has the right to file with the state liquor and
34 cannabis board within twenty days after the date of transmittal of
35 the notice for applications, or at least thirty days prior to the
36 expiration date for renewals, written objections against the
37 applicant or against the premises for which the new or renewed
38 license is asked. The state liquor and cannabis board may extend the
39 time period for submitting written objections upon request from the
40 authority notified by the state liquor and cannabis board.

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

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

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

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

35 (c) A city, county, or town may permit the licensing of research
36 premises allowed under RCW 69.50.372 within one thousand feet but not
37 less than one hundred feet of the facilities described in (a) of this
38 subsection by enacting an ordinance authorizing such distance
39 reduction, provided that the ordinance will not negatively impact the

1 jurisdiction's civil regulatory enforcement, criminal law
2 enforcement, public safety, or public health.

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

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

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

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

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

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

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

1 municipal corporation or any state agency; or (b) an unreasonably
2 high number of citations for violations of RCW 46.61.502 associated
3 with the applicant's or licensee's operation of any licensed premises
4 as indicated by the reported statements given to law enforcement upon
5 arrest.

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

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

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

12 (b) To conduct clinical investigations of marijuana-derived drug
13 products;

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

16 (d) To conduct genomic or agricultural research.

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

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

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

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

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

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

37 (4) A marijuana research licensee may contract with the
38 University of Washington or Washington State University to perform
39 research in conjunction with the university. All research projects,

1 not including those projects conducted pursuant to a contract entered
2 into under RCW 28B.20.502(3), must be approved by the scientific
3 reviewer and meet the requirements of subsection (1) of this section.

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

6 (a) Application requirements;

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

9 (c) Conditions for license revocation;

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

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

14 (f) Licensee reporting requirements;

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

18 (h) Additional requirements deemed necessary by the liquor and
19 cannabis board.

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

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

36 (8) The scientific reviewer shall review any reports made by
37 marijuana research licensees under liquor and cannabis board rule and
38 provide the liquor and cannabis board with its determination on
39 whether the research project continues to meet research
40 qualifications under this section.

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

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

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

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

25 The definitions in this section apply throughout this chapter
26 unless the context clearly requires otherwise.

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

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

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

34 (b) "Agent" means an authorized person who acts on behalf of or
35 at the direction of a manufacturer, distributor, or dispenser. It
36 does not include a common or contract carrier, public
37 warehouseperson, or employee of the carrier or warehouseperson.

1 (c) "CBD concentration" has the meaning provided in RCW
2 69.51A.010.

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

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

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

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

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

20 (2) The term does not include:

21 (i) a controlled substance;

22 (ii) a substance for which there is an approved new drug
23 application;

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

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

32 (g) "Deliver" or "delivery((τ))" means the actual or constructive
33 transfer from one person to another of a substance, whether or not
34 there is an agency relationship.

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

36 (i) "Designated provider" has the meaning provided in RCW
37 69.51A.010.

38 (j) "Dispense" means the interpretation of a prescription or
39 order for a controlled substance and, pursuant to that prescription
40 or order, the proper selection, measuring, compounding, labeling, or

1 packaging necessary to prepare that prescription or order for
2 delivery.

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

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

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

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

18 (o) "Drug enforcement administration" means the drug enforcement
19 administration in the United States Department of Justice, or its
20 successor agency.

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

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

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

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

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

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

37 (~~(r)~~) (s) "Isomer" means an optical isomer, but in subsection
38 (~~(d)~~) (ee)(5) of this section, RCW 69.50.204(a) (12) and (34), and
39 69.50.206(b)(4), the term includes any geometrical isomer; in RCW
40 69.50.204(a) (8) and (42), and 69.50.210(c) the term includes any

1 positional isomer; and in RCW 69.50.204(a)(35), 69.50.204(c), and
2 69.50.208(a) the term includes any positional or geometric isomer.

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

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

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

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

25 (2) by a practitioner, or by the practitioner's authorized agent
26 under the practitioner's supervision, for the purpose of, or as an
27 incident to, research, teaching, or chemical analysis and not for
28 sale.

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

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

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

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

14 ~~((z))~~ (aa) "Marijuana products" means useable marijuana,
15 marijuana concentrates, and marijuana-infused products as defined in
16 this section.

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

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

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

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

34 (1) Opium, opium derivative, and any derivative of opium or opium
35 derivative, including their salts, isomers, and salts of isomers,
36 whenever the existence of the salts, isomers, and salts of isomers is
37 possible within the specific chemical designation. The term does not
38 include the isoquinoline alkaloids of opium.

39 (2) Synthetic opiate and any derivative of synthetic opiate,
40 including their isomers, esters, ethers, salts, and salts of isomers,

1 esters, and ethers, whenever the existence of the isomers, esters,
2 ethers, and salts is possible within the specific chemical
3 designation.

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

5 (4) Coca leaves, except coca leaves and extracts of coca leaves
6 from which cocaine, ecgonine, and derivatives or ecgonine or their
7 salts have been removed.

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

9 (6) Cocaine base.

10 (7) Ecgonine, or any derivative, salt, isomer, or salt of isomer
11 thereof.

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

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

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

25 ~~((gg))~~ (hh) "Person" means individual, corporation, business
26 trust, estate, trust, partnership, association, joint venture,
27 government, governmental subdivision or agency, or any other legal or
28 commercial entity.

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

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

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

33 (1) A physician under chapter 18.71 RCW; a physician assistant
34 under chapter 18.71A RCW; an osteopathic physician and surgeon under
35 chapter 18.57 RCW; an osteopathic physician assistant under chapter
36 18.57A RCW who is licensed under RCW 18.57A.020 subject to any
37 limitations in RCW 18.57A.040; an optometrist licensed under chapter
38 18.53 RCW who is certified by the optometry board under RCW 18.53.010
39 subject to any limitations in RCW 18.53.010; a dentist under chapter
40 18.32 RCW; a podiatric physician and surgeon under chapter 18.22 RCW;

1 a veterinarian under chapter 18.92 RCW; a registered nurse, advanced
2 registered nurse practitioner, or licensed practical nurse under
3 chapter 18.79 RCW; a naturopathic physician under chapter 18.36A RCW
4 who is licensed under RCW 18.36A.030 subject to any limitations in
5 RCW 18.36A.040; a pharmacist under chapter 18.64 RCW or a scientific
6 investigator under this chapter, licensed, registered or otherwise
7 permitted insofar as is consistent with those licensing laws to
8 distribute, dispense, conduct research with respect to or administer
9 a controlled substance in the course of their professional practice
10 or research in this state.

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

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

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

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

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

35 (~~(nn)~~) (oo) "Recognition card" has the meaning provided in RCW
36 69.51A.010.

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

1 (~~(pp)~~) (qq) "Secretary" means the secretary of health or the
2 secretary's designee.

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

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

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

18 (~~(tt)~~) (uu) "Useable marijuana" means dried marijuana flowers.
19 The term "useable marijuana" does not include either marijuana-
20 infused products or marijuana concentrates.

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

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

29 (1) Production or possession of quantities of marijuana that do
30 not exceed the maximum amounts established by the state liquor
31 (~~(control)~~) and cannabis board under RCW 69.50.345(3);

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

35 (3) Delivery, distribution, and sale of immature plants or clones
36 and marijuana seeds to a licensed marijuana researcher, and to
37 receive or purchase immature plants or clones and seeds from a
38 licensed marijuana researcher; and

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

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

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

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

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

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

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

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

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

1 a violation of this section, this chapter, or any other provision of
2 Washington state law.

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

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

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

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

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

31 (b) Within the smaller of either:

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

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

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

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

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

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

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

23 (b) May only participate in one cooperative;

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

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

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

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

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

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

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

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

13 **Sec. 9.** RCW 15.120.020 and 2016 sp.s. c 11 s 3 are each amended
14 to read as follows:

15 Except as otherwise provided in this chapter, industrial hemp is
16 an agricultural product that may be grown, produced, possessed,
17 processed, and exchanged in the state solely and exclusively as part
18 of an industrial hemp research program supervised by the department.
19 Processing any part of industrial hemp, except seed, as food,
20 extract, oil, cake, concentrate, resin, or other preparation for
21 topical use, oral consumption, or inhalation by humans is prohibited,
22 unless the processing is both authorized by the department under
23 section 10 of this act and in compliance with section 7606 of the
24 federal agricultural act of 2014 (128 Stat. 649, 912; 7 U.S.C. Sec.
25 5940).

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

28 (1) The department may allow a person holding an industrial hemp
29 license authorizing the licensee to grow, produce, possess, or
30 process industrial hemp to sell or transfer industrial hemp to a
31 marijuana processor licensed under chapter 69.50 RCW and the rules
32 adopted by the state liquor and cannabis board, for use by the
33 marijuana processor.

34 (2) A licensed marijuana processor is required to obtain an
35 industrial hemp license from the department in order to possess or
36 process industrial hemp for the purposes authorized under this
37 section.

1 (3) A licensed marijuana processor may use any part of industrial
2 hemp obtained in accordance with this section. A licensee's use of
3 industrial hemp must comply with the requirements of chapter 69.50
4 RCW, the rules adopted by the state liquor and cannabis board, and
5 the rules adopted by the department of health for marijuana products.
6 However, such rules adopted by the state liquor and cannabis board or
7 the department of health may not prohibit the processing or sale of
8 any specific type of marijuana product because such specific type of
9 marijuana product is derived, in whole or in part, from industrial
10 hemp.

11 (4) The department may adopt rules, in consultation with the
12 state liquor and cannabis board, to implement this section.

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

28 **Sec. 12.** RCW 69.50.357 and 2016 c 171 s 1 are each amended to
29 read as follows:

30 (1) Retail outlets may not sell products or services other than
31 marijuana concentrates, useable marijuana, marijuana-infused
32 products, or paraphernalia intended for the storage or use of
33 marijuana concentrates, useable marijuana, or marijuana-infused
34 products.

35 (2) Licensed marijuana retailers may not employ persons under
36 twenty-one years of age or allow persons under twenty-one years of
37 age to enter or remain on the premises of a retail outlet. However,
38 qualifying patients between eighteen and twenty-one years of age with

1 a recognition card may enter and remain on the premises of a retail
2 outlet holding a medical marijuana endorsement and may purchase
3 products for their personal medical use. Qualifying patients who are
4 under the age of eighteen with a recognition card and who accompany
5 their designated providers may enter and remain on the premises of a
6 retail outlet holding a medical marijuana endorsement, but may not
7 purchase products for their personal medical use.

8 (3)(a) Licensed marijuana retailers must ensure that all
9 employees are trained on the rules adopted to implement this chapter,
10 identification of persons under the age of twenty-one, and other
11 requirements adopted by the state liquor and cannabis board to ensure
12 that persons under the age of twenty-one are not permitted to enter
13 or remain on the premises of a retail outlet.

14 (b) Licensed marijuana retailers with a medical marijuana
15 endorsement must ensure that all employees are trained on the
16 subjects required by (a) of this subsection as well as identification
17 of authorizations and recognition cards. Employees must also be
18 trained to permit qualifying patients who hold recognition cards and
19 are between the ages of eighteen and twenty-one to enter the premises
20 and purchase marijuana for their personal medical use and to permit
21 qualifying patients who are under the age of eighteen with a
22 recognition card to enter the premises if accompanied by their
23 designated providers.

24 (4) Except as otherwise provided under RCW 69.50.369, licensed
25 marijuana retailers may not display any signage outside of the
26 licensed premises, other than two signs identifying the retail outlet
27 by the licensee's business or trade name, stating the location of the
28 business, and identifying the nature of the business. Each sign must
29 be no larger than one thousand six hundred square inches, be
30 permanently affixed to a building or other structure, and be posted
31 not less than one thousand feet from any elementary school, secondary
32 school, or playground. Such signs may not contain any depictions of
33 marijuana plants, marijuana products, or images that might be
34 appealing to children. The content of the signs authorized under this
35 subsection (4) are subject to all requirements and restrictions
36 applicable to outdoor signs as set forth in RCW 69.50.369.

37 (5) Except for the purposes of disposal as authorized by the
38 state liquor and cannabis board, no licensed marijuana retailer or
39 employee of a retail outlet may open or consume, or allow to be

1 opened or consumed, any marijuana concentrates, useable marijuana, or
2 marijuana-infused product on the outlet premises.

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

7 **Sec. 13.** RCW 69.50.369 and 2015 2nd sp.s. c 4 s 204 are each
8 amended to read as follows:

9 (1) No licensed marijuana producer, processor, researcher, or
10 retailer may place or maintain, or cause to be placed or maintained,
11 an advertisement of marijuana, useable marijuana, marijuana
12 concentrates, or a marijuana-infused product in any form or through
13 any medium whatsoever((÷

14 (a)) within one thousand feet of the perimeter of a school
15 grounds, playground, recreation center or facility, child care
16 center, public park, or library, or any game arcade admission to
17 which is not restricted to persons aged twenty-one years or older((÷

18 ~~(b) On or in a public transit vehicle or public transit shelter;~~
19 ~~or~~

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

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

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

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

34 (5) A marijuana licensee may not:

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

1 (b) Use objects such as toys or inflatables, movie or cartoon
2 characters, or any other depiction or image likely to be appealing to
3 youth, where such objects, images, or depictions indicate an intent
4 to cause youth to become interested in the purchase or consumption of
5 marijuana products; or

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

16 (6) A marijuana licensee that engages in outdoor advertising is
17 subject to the advertising requirements and restrictions set forth in
18 this subsection (6) and elsewhere in this chapter.

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

29 (b) Outdoor advertising is prohibited:

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

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

38 (c)(i) Until July 1, 2018, licensed retail outlets may use a
39 billboard or outdoor sign solely for the purpose of identifying the
40 name of the business, the nature of the business, and providing the

1 public with directional information to the licensed retail outlet.
2 Billboards advertising is subject to the same requirements and
3 restrictions as set forth in (a) of this subsection.

4 (ii) After July 1, 2018, the use of a billboard for the
5 advertising or promotion of a retail marijuana business or any
6 marijuana-related product is prohibited.

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

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

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

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

22 (7) Merchandising within a retail outlet is not advertising for
23 the purposes of this section.

24 ~~((+3))~~ (8) This section does not apply to a noncommercial
25 message.

26 ~~((+4))~~ (9)(a) The state liquor and cannabis board must:

27 (i) Adopt rules implementing this section and specifically
28 including provisions regulating the billboards and outdoor signs
29 authorized under this section; and

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

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

38 (10) A city, town, or county may adopt rules of outdoor
39 advertising by licensed marijuana retailers that are more restrictive
40 than the advertising restrictions imposed under this chapter.

1 Enforcement of restrictions to advertising by a city, town, or county
2 is the responsibility of the city, town, or county.

3 **Sec. 14.** RCW 69.50.4013 and 2015 2nd sp.s. c 4 s 503 are each
4 amended to read as follows:

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

10 (2) Except as provided in RCW 69.50.4014, any person who violates
11 this section is guilty of a class C felony punishable under chapter
12 9A.20 RCW.

13 (3)(a) The possession, by a person twenty-one years of age or
14 older, of useable marijuana, marijuana concentrates, or marijuana-
15 infused products in amounts that do not exceed those set forth in RCW
16 69.50.360(3) is not a violation of this section, this chapter, or any
17 other provision of Washington state law.

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

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

33 (a) One-half ounce of useable marijuana;

34 (b) Eight ounces of marijuana-infused product in solid form;

35 (c) Thirty-six ounces of marijuana-infused product in liquid
36 form; or

37 (d) Three and one-half grams of marijuana concentrates.

38 (5) No person under twenty-one years of age may possess,
39 manufacture, sell, or distribute marijuana, marijuana-infused

1 products, or marijuana concentrates, regardless of THC concentration.
2 This does not include qualifying patients with a valid authorization.
3 ~~((+5))~~ (6) The possession by a qualifying patient or designated
4 provider of marijuana concentrates, useable marijuana, marijuana-
5 infused products, or plants in accordance with chapter 69.51A RCW is
6 not a violation of this section, this chapter, or any other provision
7 of Washington state law.

8 NEW SECTION. **Sec. 15.** A new section is added to chapter 69.50
9 RCW to read as follows:

10 (1) A licensed marijuana business may enter into a licensing
11 agreement, or consulting contract, with any individual, partnership,
12 employee cooperative, association, nonprofit corporation, or
13 corporation, for:

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

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

17 (c) Any trade secret, technology, or proprietary information used
18 to manufacture a cannabis product or used to provide a service
19 related to a marijuana business.

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

23 **Sec. 16.** RCW 42.56.270 and 2016 sp.s. c 9 s 3, 2016 sp.s. c 8 s
24 1, and 2016 c 178 s 1 are each reenacted and amended to read as
25 follows:

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

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

32 (2) Financial information supplied by or on behalf of a person,
33 firm, or corporation for the purpose of qualifying to submit a bid or
34 proposal for (a) a ferry system construction or repair contract as
35 required by RCW 47.60.680 through 47.60.750 or (b) highway
36 construction or improvement as required by RCW 47.28.070;

37 (3) Financial and commercial information and records supplied by
38 private persons pertaining to export services provided under chapters

1 43.163 and 53.31 RCW, and by persons pertaining to export projects
2 under RCW 43.23.035;

3 (4) Financial and commercial information and records supplied by
4 businesses or individuals during application for loans or program
5 services provided by chapters 43.325, 43.163, 43.160, 43.330, and
6 43.168 RCW, or during application for economic development loans or
7 program services provided by any local agency;

8 (5) Financial information, business plans, examination reports,
9 and any information produced or obtained in evaluating or examining a
10 business and industrial development corporation organized or seeking
11 certification under chapter 31.24 RCW;

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

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

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

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

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

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

37 (11) Proprietary data, trade secrets, or other information that
38 relates to: (a) A vendor's unique methods of conducting business; (b)
39 data unique to the product or services of the vendor; or (c)
40 determining prices or rates to be charged for services, submitted by

1 any vendor to the department of social and health services for
2 purposes of the development, acquisition, or implementation of state
3 purchased health care as defined in RCW 41.05.011;

4 (12)(a) When supplied to and in the records of the department of
5 commerce:

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

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

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

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

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

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

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

35 (15) Financial and commercial information provided as evidence to
36 the department of licensing as required by RCW 19.112.110 or
37 19.112.120, except information disclosed in aggregate form that does
38 not permit the identification of information related to individual
39 fuel licensees;

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

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

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

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

17 (19) Information gathered under chapter 19.85 RCW or RCW
18 34.05.328 that can be identified to a particular business;

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

27 (21) Market share data submitted by a manufacturer under RCW
28 70.95N.190(4);

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

36 (23) Unaggregated or individual notices of a transfer of crude
37 oil that is financial, proprietary, or commercial information,
38 submitted to the department of ecology pursuant to RCW
39 90.56.565(1)(a), and that is in the possession of the department of

1 ecology or any entity with which the department of ecology has shared
2 the notice pursuant to RCW 90.56.565;

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

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

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

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

36 (28) Trade secrets, technology, proprietary information, and
37 financial considerations contained in any agreements or contracts,
38 entered into by a licensed marijuana business under section 15 of

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

3 **Sec. 17.** RCW 69.07.010 and 1992 c 34 s 3 are each amended to
4 read as follows:

5 For the purposes of this chapter:

6 (1) "Department" means the department of agriculture of the state
7 of Washington;

8 (2) "Director" means the director of the department;

9 (3) "Food" means any substance used for food or drink by any
10 person, including ice, bottled water, and any ingredient used for
11 components of any such substance regardless of the quantity of such
12 component;

13 (4) "Sale" means selling, offering for sale, holding for sale,
14 preparing for sale, trading, bartering, offering a gift as an
15 inducement for sale of, and advertising for sale in any media;

16 (5) "Food processing" means the handling or processing of any
17 food in any manner in preparation for sale for human consumption:
18 PROVIDED, That it shall not include fresh fruit or vegetables merely
19 washed or trimmed while being prepared or packaged for sale in their
20 natural state;

21 (6) "Food processing plant" includes but is not limited to any
22 premises, plant, establishment, building, room, area, facilities and
23 the appurtenances thereto, in whole or in part, where food is
24 prepared, handled or processed in any manner for distribution or sale
25 for resale by retail outlets, restaurants, and any such other
26 facility selling or distributing to the ultimate consumer: PROVIDED,
27 That, as set forth herein, establishments processing foods in any
28 manner for resale shall be considered a food processing plant as to
29 such processing;

30 (7) "Food service establishment" shall mean any fixed or mobile
31 restaurant, coffee shop, cafeteria, short order cafe, luncheonette,
32 grill, tearoom, sandwich shop, soda fountain, tavern, bar, cocktail
33 lounge, night club, roadside stand, industrial-feeding establishment,
34 retail grocery, retail food market, retail meat market, retail
35 bakery, private, public, or nonprofit organization routinely serving
36 food, catering kitchen, commissary or similar place in which food or
37 drink is prepared for sale or for service on the premises or
38 elsewhere, and any other eating or drinking establishment or

1 operation where food is served or provided for the public with or
2 without charge.

3 For the purpose of this chapter any custom cannery or processing
4 plant where raw food products, food, or food products are processed
5 for the owner thereof, or the food processing facilities are made
6 available to the owners or persons in control of raw food products or
7 food or food products for processing in any manner, shall be
8 considered to be food processing plants;

9 (8) "Person" means an individual, partnership, corporation, or
10 association;

11 (9) "Board" means the state liquor and cannabis board;

12 (10) "Marijuana" has the meaning provided in RCW 69.50.101;

13 (11) "Marijuana-infused edible" means "marijuana-infused
14 products," which is defined in RCW 69.50.101, but limited to products
15 intended for oral consumption;

16 (12) "Marijuana-infused edible processing" means processing,
17 packaging, or making marijuana-infused edibles using marijuana,
18 marijuana extract, or marijuana concentrates as an ingredient. The
19 term does not include preparation of marijuana as an ingredient
20 including, but not limited to, processing marijuana extracts or
21 marijuana concentrates;

22 (13) "Marijuana processor" has the meaning provided in RCW
23 69.50.101.

24 **Sec. 18.** RCW 69.07.020 and 1969 c 68 s 1 are each amended to
25 read as follows:

26 (1) The department shall enforce and carry out the provisions of
27 this chapter, and may adopt the necessary rules to carry out its
28 purposes.

29 (2) Such rules may include:

30 (a) Standards for temperature controls in the storage of foods,
31 so as to provide proper refrigeration.

32 (b) Standards for temperatures at which low acid foods must be
33 processed and the length of time such temperatures must be applied
34 and at what pressure in the processing of such low acid foods.

35 (c) Standards and types of recording devices that must be used in
36 providing records of the processing of low acid foods, and how they
37 shall be made available to the department of agriculture for
38 inspection.

1 (d) Requirements for the keeping of records of the temperatures,
2 times and pressures at which foods were processed, or for the
3 temperatures at which refrigerated products were stored by the
4 licensee and the furnishing of such records to the department.

5 (e) Standards that must be used to establish the temperature and
6 purity of water used in the processing of foods.

7 (3) The department may adopt rules specific to marijuana-infused
8 edibles. The rules must be written and interpreted to be consistent
9 with rules adopted by the board and the department of health.

10 **Sec. 19.** RCW 19.02.110 and 2013 c 144 s 25 are each amended to
11 read as follows:

12 (1) In addition to the licenses processed under the business
13 licensing system prior to April 1, 1982, on July 1, 1982, use of the
14 business licensing system is expanded as provided by this section.

15 (2) Applications for the following must be filed with the
16 business licensing service and must be processed, and renewals must
17 be issued, under the business licensing system:

18 (a) Nursery dealer's licenses required by chapter 15.13 RCW;

19 (b) Seed dealer's licenses required by chapter 15.49 RCW;

20 (c) Pesticide dealer's licenses required by chapter 15.58 RCW;

21 (d) Shopkeeper's licenses required by chapter 18.64 RCW;

22 (e) Egg dealer's licenses required by chapter 69.25 RCW; and

23 (f) Marijuana-infused edible endorsements required by chapter
24 69.07 RCW.

25 NEW SECTION. **Sec. 20.** A new section is added to chapter 69.07
26 RCW to read as follows:

27 (1) In addition to the requirements administered by the board
28 under chapter 69.50 RCW, the department shall regulate marijuana-
29 infused edible processing the same as other food processing under
30 this chapter, except:

31 (a) The department shall not consider foods containing marijuana
32 to be adulterated when produced in compliance with chapter 69.50 RCW
33 and the rules adopted by the board;

34 (b) Initial issuance and renewal for an annual marijuana-infused
35 edible endorsement in lieu of a food processing license under RCW
36 69.07.040 must be made through the business licensing system under
37 chapter 19.02 RCW;

1 (c) Renewal of the endorsement must coincide with renewal of the
2 endorsement holder's marijuana processor license;

3 (d) The department shall adopt a penalty schedule specific to
4 marijuana processors, which may have values equivalent to the penalty
5 schedule adopted by the board. The penalties are in addition to any
6 penalties imposed under the penalty schedule adopted by the board;
7 and

8 (e) The department shall notify the board of violations by
9 marijuana processors under this chapter.

10 (2) A marijuana processor that processes, packages, or makes
11 marijuana-infused edibles must obtain an annual marijuana-infused
12 edible endorsement, as provided in this subsection (2).

13 (a) The marijuana processor must apply for issuance and renewal
14 for the endorsement from the department through the business
15 licensing system under chapter 19.02 RCW.

16 (b) The marijuana processor must have a valid marijuana processor
17 license before submitting an application for initial endorsement. The
18 application and initial endorsement fees total eight hundred ninety-
19 five dollars. Applicants for endorsement otherwise must meet the same
20 requirements as applicants for a food processing license under this
21 chapter including, but not limited to, successful completion of
22 inspection by the department.

23 (c) Annual renewal of the endorsement must coincide with renewal
24 of the endorsement holder's marijuana processor license. The
25 endorsement renewal fee is eight hundred ninety-five dollars.

26 (d) A marijuana processor must obtain a separate endorsement for
27 each location at which the marijuana processor intends to process
28 marijuana-infused edibles. Premises used for marijuana-infused edible
29 processing may not be used for processing food that does not use
30 marijuana as an ingredient, with the exception of edibles produced
31 solely for tasting samples or internal product testing.

32 (3) The department may deny, suspend, or revoke a marijuana-
33 infused edible endorsement on the same grounds as the department may
34 deny, suspend, or revoke a food processing license under this
35 chapter.

36 (4) Information about processors otherwise exempt from public
37 inspection and copying under chapter 42.56 RCW is also exempt from
38 public inspection and copying if submitted to or used by the
39 department.

1 NEW SECTION. **Sec. 21.** The department of agriculture, state
2 liquor and cannabis board, and department of revenue shall take the
3 necessary steps to ensure that section 20 of this act is implemented
4 on its effective date.

5 NEW SECTION. **Sec. 22.** The definitions in this section apply
6 throughout this chapter unless the context clearly requires
7 otherwise.

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

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

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

13 (4) "Marijuana processor" has the meaning provided in RCW
14 69.50.101.

15 (5) "Marijuana producer" has the meaning provided in RCW
16 69.50.101.

17 (6) "Marijuana products" has the meaning provided in RCW
18 69.50.101.

19 (7) "Marijuana retailer" has the meaning provided in RCW
20 69.50.101.

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

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

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

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

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

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

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

1 NEW SECTION. **Sec. 24.** (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. 25.** (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. 26.** 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. 27.** 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. 28.** This act applies prospectively only and
10 not retroactively. It applies only to causes of action that arise (if
11 change is substantive) or that are commenced (if change is
12 procedural) on or after the effective date of this section.

13 NEW SECTION. **Sec. 29.** If any provision of this act or its
14 application to any person or circumstance is held invalid, the
15 remainder of the act or the application of the provision to other
16 persons or circumstances is not affected.

17 NEW SECTION. **Sec. 30.** Sections 22 through 27 of this act
18 constitute a new chapter in Title 15 RCW.

19 NEW SECTION. **Sec. 31.** Section 20 of this act takes effect April
20 1, 2018."

21 Correct the title.

--- END ---