
SUBSTITUTE HOUSE BILL 1126

State of Washington

65th Legislature

2017 Regular Session

By House Commerce & Gaming (originally sponsored by Representatives Condotta, Sawyer, and Vick)

READ FIRST TIME 02/13/17.

1 AN ACT Relating to establishing a deadline for the use and
2 implementation of a marijuana retail license by a licensee; and
3 amending RCW 69.50.325.

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

5 **Sec. 1.** RCW 69.50.325 and 2016 c 170 s 1 are each amended to
6 read as follows:

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

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

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

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

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

3 (b)(i) A marijuana retailer license is subject to forfeiture in
4 accordance with rules adopted by the state liquor and cannabis board
5 pursuant to this section.

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

12 (A) No marijuana retailer license may be subject to forfeiture
13 within the first nine months of license issuance; and

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

22 (iii) The state liquor and cannabis board has discretion in
23 adopting rules under this subsection (3)(b).

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

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