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**SUBSTITUTE HOUSE BILL 1152**

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**State of Washington**

**65th Legislature**

**2017 Regular Session**

**By** House Commerce & Gaming (originally sponsored by Representatives Blake and Vick)

READ FIRST TIME 02/08/17.

1 AN ACT Relating to licensing agreements and consulting contracts  
2 for licensed marijuana businesses; reenacting and amending RCW  
3 42.56.270; and adding a new section to chapter 69.50 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 69.50  
6 RCW to read as follows:

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

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

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

14 (c) Any trade secret, technology, or proprietary information used  
15 to manufacture a cannabis product or used to provide a service  
16 related to a marijuana business.

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

20 (3) The state liquor and cannabis board may adopt rules to  
21 implement this section.

1       **Sec. 2.** RCW 42.56.270 and 2016 sp.s. c 9 s 3, 2016 sp.s. c 8 s  
2 1, and 2016 c 178 s 1 are each reenacted and amended to read as  
3 follows:

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

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

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

15       (3) Financial and commercial information and records supplied by  
16 private persons pertaining to export services provided under chapters  
17 43.163 and 53.31 RCW, and by persons pertaining to export projects  
18 under RCW 43.23.035;

19       (4) Financial and commercial information and records supplied by  
20 businesses or individuals during application for loans or program  
21 services provided by chapters 43.325, 43.163, 43.160, 43.330, and  
22 43.168 RCW, or during application for economic development loans or  
23 program services provided by any local agency;

24       (5) Financial information, business plans, examination reports,  
25 and any information produced or obtained in evaluating or examining a  
26 business and industrial development corporation organized or seeking  
27 certification under chapter 31.24 RCW;

28       (6) Financial and commercial information supplied to the state  
29 investment board by any person when the information relates to the  
30 investment of public trust or retirement funds and when disclosure  
31 would result in loss to such funds or in private loss to the  
32 providers of this information;

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

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

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

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

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

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

20 (12)(a) When supplied to and in the records of the department of  
21 commerce:

22 (i) Financial and proprietary information collected from any  
23 person and provided to the department of commerce pursuant to RCW  
24 43.330.050(8); and

25 (ii) Financial or proprietary information collected from any  
26 person and provided to the department of commerce or the office of  
27 the governor in connection with the siting, recruitment, expansion,  
28 retention, or relocation of that person's business and until a siting  
29 decision is made, identifying information of any person supplying  
30 information under this subsection and the locations being considered  
31 for siting, relocation, or expansion of a business;

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

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

37 (d) If there is no written contact for a period of sixty days to  
38 the department of commerce from a person connected with siting,  
39 recruitment, expansion, retention, or relocation of that person's

1 business, information described in (a)(ii) of this subsection will be  
2 available to the public under this chapter;

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

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

12 (15) Financial and commercial information provided as evidence to  
13 the department of licensing as required by RCW 19.112.110 or  
14 19.112.120, except information disclosed in aggregate form that does  
15 not permit the identification of information related to individual  
16 fuel licensees;

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

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

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

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

33 (19) Information gathered under chapter 19.85 RCW or RCW  
34 34.05.328 that can be identified to a particular business;

35 (20) Financial and commercial information submitted to or  
36 obtained by the University of Washington, other than information the  
37 university is required to disclose under RCW 28B.20.150, when the  
38 information relates to investments in private funds, to the extent  
39 that such information, if revealed, would reasonably be expected to  
40 result in loss to the University of Washington consolidated endowment

1 fund or to result in private loss to the providers of this  
2 information;

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

5 (22) Financial information supplied to the department of  
6 financial institutions or to a portal under RCW 21.20.883, when filed  
7 by or on behalf of an issuer of securities for the purpose of  
8 obtaining the exemption from state securities registration for small  
9 securities offerings provided under RCW 21.20.880 or when filed by or  
10 on behalf of an investor for the purpose of purchasing such  
11 securities;

12 (23) Unaggregated or individual notices of a transfer of crude  
13 oil that is financial, proprietary, or commercial information,  
14 submitted to the department of ecology pursuant to RCW  
15 90.56.565(1)(a), and that is in the possession of the department of  
16 ecology or any entity with which the department of ecology has shared  
17 the notice pursuant to RCW 90.56.565;

18 (24) Financial institution and retirement account information,  
19 and building security plan information, supplied to the liquor and  
20 cannabis board pursuant to RCW 69.50.325, 69.50.331, 69.50.342, and  
21 69.50.345, when filed by or on behalf of a licensee or prospective  
22 licensee for the purpose of obtaining, maintaining, or renewing a  
23 license to produce, process, transport, or sell marijuana as allowed  
24 under chapter 69.50 RCW; ((and))

25 (25) Marijuana transport information, vehicle and driver  
26 identification data, and account numbers or unique access identifiers  
27 issued to private entities for traceability system access, submitted  
28 by an individual or business to the liquor and cannabis board under  
29 the requirements of RCW 69.50.325, 69.50.331, 69.50.342, and  
30 69.50.345 for the purpose of marijuana product traceability.  
31 Disclosure to local, state, and federal officials is not considered  
32 public disclosure for purposes of this section; ((and))

33 (26) Financial and commercial information submitted to or  
34 obtained by the retirement board of any city that is responsible for  
35 the management of an employees' retirement system pursuant to the  
36 authority of chapter 35.39 RCW, when the information relates to  
37 investments in private funds, to the extent that such information, if  
38 revealed, would reasonably be expected to result in loss to the  
39 retirement fund or to result in private loss to the providers of this  
40 information except that (a) the names and commitment amounts of the

1 private funds in which retirement funds are invested and (b) the  
2 aggregate quarterly performance results for a retirement fund's  
3 portfolio of investments in such funds are subject to disclosure;  
4 ((and))

5 (27) Proprietary financial, commercial, operations, and technical  
6 and research information and data submitted to or obtained by the  
7 liquor and cannabis board in applications for marijuana research  
8 licenses under RCW 69.50.372, or in reports submitted by marijuana  
9 research licensees in accordance with rules adopted by the liquor and  
10 cannabis board under RCW 69.50.372; and

11 (28) Trade secrets, technology, proprietary information, and  
12 financial considerations contained in any agreements or contracts,  
13 entered into by a licensed marijuana business under section 1 of this  
14 act, which may be submitted to or obtained by the state liquor and  
15 cannabis board.

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