
SUBSTITUTE HOUSE BILL 1712

State of Washington

65th Legislature

2017 Regular Session

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

READ FIRST TIME 02/17/17.

1 AN ACT Relating to establishing an endorsement to the marijuana
2 retailer's license to authorize marijuana delivery services; amending
3 RCW 43.06.490; adding a new section to chapter 69.50 RCW; and
4 providing an effective date.

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

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

8 (1) There is a marijuana delivery endorsement to a marijuana
9 retailer's license that authorizes the holder to deliver marijuana
10 products to a person age twenty-one or over at a private residence,
11 hotel, motel, boarding house, resort, hostel, trailer camp, or
12 similar lodging business.

13 (2)(a) The state liquor and cannabis board may issue a delivery
14 endorsement only to a qualified applicant, as determined by the
15 board, that holds a marijuana retailer license issued pursuant to RCW
16 69.50.325 and the premises of which is located in a local
17 jurisdiction that authorizes the delivery of marijuana products
18 pursuant to an ordinance. The state liquor and cannabis board has
19 discretion in determining whether an applicant is qualified to
20 receive a delivery endorsement.

1 (b)(i) A local jurisdiction may authorize the delivery of
2 marijuana products only by ordinance.

3 (ii) A copy of the local jurisdiction's ordinance must be
4 transmitted to the state liquor and cannabis board.

5 (c)(i) The state liquor and cannabis board shall establish the
6 fee for the delivery endorsement.

7 (ii) The amount of the fee must reflect the expected costs of
8 administering the program and may subsequently be adjusted by the
9 state liquor and cannabis board to reflect the program's actual
10 costs.

11 (d) The state liquor and cannabis board may, after examining the
12 overall characteristics of the commercial marijuana market in local
13 jurisdictions that authorize marijuana delivery and the
14 qualifications of applicants for the delivery endorsement, limit the
15 number of delivery endorsements issued or stop issuing delivery
16 endorsements.

17 (e)(i) Each delivery endorsement issued pursuant to this section
18 applies to only one licensed marijuana retail outlet.

19 (ii) If a person or entity that applies for a delivery
20 endorsement holds more than one marijuana retailer's license, a
21 separate delivery endorsement is required for each marijuana retail
22 outlet from which the holder wishes to conduct the delivery of
23 marijuana products.

24 (3)(a) A delivery of marijuana products by a marijuana retailer
25 with a delivery endorsement may be made only to a person age twenty-
26 one or over who is the same person who placed the order and who
27 receives the delivery at a premises described in subsection (1) of
28 this section that is located within a local jurisdiction that
29 authorizes the delivery of marijuana products.

30 (b) The holder of a delivery endorsement may utilize not more
31 than two delivery vehicles per work shift.

32 (c) Any person delivering marijuana products must be an owner or
33 employee of the licensed marijuana retailer with the delivery
34 endorsement and must have undergone training regarding proof of age
35 identification and verification.

36 (4) In accordance with this section and rules adopted to
37 implement this section, a licensed marijuana retailer with a delivery
38 endorsement may:

39 (a) Receive an order over the telephone or internet, by a person
40 age twenty-one or over, for the purchase and delivery of marijuana

1 products not in excess of the amounts authorized in RCW 69.50.360(3);
2 and

3 (b) Deliver marijuana products not in excess of the amounts
4 authorized in RCW 69.50.360(3), to the same person age twenty-one or
5 over who placed the order for the marijuana products over the
6 telephone or internet.

7 (5)(a) A person placing an order for the purchase and delivery of
8 marijuana products in accordance with this section must possess valid
9 identification and must allow the marijuana retailer with the
10 delivery endorsement or its owner or employee to inspect the person's
11 valid identification for proof of age.

12 (b) The marijuana retailer with a delivery endorsement or its
13 owner or employee must confirm the validity of the person's
14 identification utilizing an electronic device or web-based
15 application as required by the state liquor and cannabis board.

16 (6) All provisions of this chapter and all rules adopted pursuant
17 to this chapter apply to the sale and delivery of marijuana products
18 by a licensed marijuana retailer with a delivery endorsement issued
19 in accordance with this section.

20 (7) It is not a violation of any provision of state law, civil or
21 criminal, for a marijuana retail outlet with a delivery endorsement,
22 or its owner or employee who is trained in accordance with rules
23 adopted pursuant to this section, to possess, transport, and deliver
24 marijuana products pursuant to a delivery endorsement in amounts that
25 do not exceed amounts established by the state liquor and cannabis
26 board.

27 (8) No marijuana advertising may be displayed on a vehicle that
28 delivers marijuana products pursuant to a delivery endorsement issued
29 under this section.

30 (9) The state liquor and cannabis board may adopt rules to
31 implement this section. The rules must include the following:

32 (a) Eligibility requirements for qualified licensed marijuana
33 retailers;

34 (b) Training requirements for owners or employees of marijuana
35 retailers that hold a delivery endorsement who will deliver marijuana
36 products pursuant to this section;

37 (c) Practices and procedures for conducting compliance tests to
38 ensure that no marijuana products are delivered to a person under
39 twenty-one years of age by a marijuana retailer with a delivery
40 endorsement;

1 (d) Civil penalties and other administrative action, as the board
2 deems appropriate, that apply to a marijuana retailer with a delivery
3 endorsement that delivers marijuana products to a person under
4 twenty-one years of age;

5 (e) Procedures for proof of age identification and verification;

6 (f) Delivery vehicle requirements;

7 (g) Security requirements;

8 (h) Recordkeeping requirements;

9 (i) Limits on the amounts of marijuana products and money that
10 may be carried in a delivery vehicle;

11 (j) Practices and procedures to ensure that marijuana products
12 delivered pursuant to this section are subject to the same
13 traceability requirement that otherwise apply to marijuana products
14 sold by a licensed marijuana retailer pursuant to this chapter and
15 rules adopted to implement this chapter; and

16 (k) Penalties for violations of this section or rules adopted to
17 implement this section.

18 **Sec. 2.** RCW 43.06.490 and 2015 c 207 s 2 are each amended to
19 read as follows:

20 (1) The governor may enter into agreements with federally
21 recognized Indian tribes concerning marijuana. Marijuana agreements
22 may address any marijuana-related issue that involves both state and
23 tribal interests or otherwise has an impact on tribal-state
24 relations. Such agreements may include, but are not limited to, the
25 following provisions and subject matter:

26 (a) Criminal and civil law enforcement;

27 (b) Regulatory issues related to the commercial production,
28 processing, sale, and possession of marijuana, and processed
29 marijuana products, for both recreational and medical purposes;

30 (c) Medical and pharmaceutical research involving marijuana;

31 (d) Taxation in accordance with subsection (2) of this section;

32 (e) Any tribal immunities or preemption of state law regarding
33 the production, processing, or marketing of marijuana; (~~and~~)

34 (f) Dispute resolution, including the use of mediation or other
35 nonjudicial process; and

36 (g) Delivery sales by tribes, tribal enterprises, or tribal
37 member-owned businesses that are retailers of marijuana, to
38 consumers, where:

39 (i) The delivery of marijuana originates in Indian country;

1 (ii) Physical transfer of possession of marijuana occurs within
2 or outside of Indian country; and

3 (iii) Delivery sale requirements are the same or substantially
4 the same as delivery sale requirements pursuant to section 1 of this
5 act.

6 (2)(a) Each marijuana agreement adopted under this section must
7 provide for a tribal marijuana tax that is at least one hundred
8 percent of the state marijuana excise tax imposed under RCW 69.50.535
9 and state and local sales and use taxes on sales of marijuana.
10 Marijuana agreements apply to sales in which tribes, tribal
11 enterprises, or tribal member-owned businesses (i) deliver or cause
12 delivery to be made to or receive delivery from a marijuana producer,
13 processor, or retailer licensed under chapter 69.50 RCW or (ii)
14 physically transfer possession of the marijuana from the seller to
15 the buyer within Indian country.

16 (b) The tribe may allow an exemption from tax for sales to the
17 tribe, tribal enterprises, tribal member-owned businesses, or tribal
18 members[,] on marijuana grown, produced, or processed within its
19 Indian country, or for activities to the extent they are exempt under
20 state or federal law from the state marijuana excise tax imposed
21 under RCW 69.50.535 or state and local sales or use taxes on sales of
22 marijuana. Medical marijuana products used in the course of medical
23 treatments by a clinic, hospital, or similar facility owned and
24 operated by a federally recognized Indian tribe within its Indian
25 country may be exempted from tax under the terms of an agreement
26 entered into under this section.

27 (3) Any marijuana agreement relating to the production,
28 processing, and sale of marijuana in Indian country, whether for
29 recreational or medical purposes, must address the following issues:

30 (a) Preservation of public health and safety;

31 (b) Ensuring the security of production, processing, retail, and
32 research facilities; and

33 (c) Cross-border commerce in marijuana.

34 (4) The governor may delegate the power to negotiate marijuana
35 agreements to the state liquor ~~((control))~~ and cannabis board. In
36 conducting such negotiations, the state liquor ~~((control))~~ and
37 cannabis board must, when necessary, consult with the governor and/or
38 the department of revenue.

39 (5) The definitions in this subsection apply throughout this
40 section unless the context clearly requires otherwise.

1 (a) "Indian country" has the same meaning as in RCW 82.24.010.

2 (b) "Indian tribe" or "tribe" means a federally recognized Indian
3 tribe located within the geographical boundaries of the state of
4 Washington.

5 (c) "Marijuana" means "marijuana," "marijuana concentrates,"
6 "marijuana-infused products," and "useable marijuana," as those terms
7 are defined in RCW 69.50.101.

8 NEW SECTION. **Sec. 3.** This act takes effect July 1, 2018.

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