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HOUSE BILL 2096

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State of Washington

65th Legislature

2017 Regular Session

By Representative Klippert

Read first time 02/13/17. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to repealing all laws legalizing the use,  
2 possession, sale, or production of marijuana and marijuana-related  
3 products; amending RCW 70.345.010, 82.04.213, 82.04.4266, 82.08.010,  
4 82.08.020, 82.08.02565, 82.12.02565, 82.29A.020, 82.29A.020,  
5 69.50.401, and 69.50.4013; reenacting and amending RCW 69.50.101,  
6 82.04.260, and 82.29A.020; reenacting RCW 69.50.412; repealing RCW  
7 69.50.325, 69.50.328, 69.50.331, 69.50.334, 69.50.339, 69.50.342,  
8 69.50.345, 69.50.348, 69.50.351, 69.50.354, 69.50.357, 69.50.360,  
9 69.50.363, 69.50.366, 69.50.369, 69.50.372, 69.50.375, 69.50.378,  
10 69.50.380, 69.50.382, 69.50.385, 69.50.390, 69.50.445, 69.50.450,  
11 69.50.465, 69.50.515, 69.50.530, 69.50.535, 69.50.540, 69.50.545,  
12 69.50.550, 69.50.555, 69.50.560, 69.50.565, 69.50.570, 69.50.575,  
13 69.50.580, 69.50.585, 69.51A.005, 69.51A.010, 69.51A.030, 69.51A.040,  
14 69.51A.043, 69.51A.045, 69.51A.050, 69.51A.055, 69.51A.060,  
15 69.51A.100, 69.51A.110, 69.51A.120, 69.51A.130, 69.51A.210,  
16 69.51A.220, 69.51A.230, 69.51A.240, 69.51A.250, 69.51A.260,  
17 69.51A.270, 69.51A.280, 69.51A.290, 69.51A.300, 69.51A.900,  
18 15.120.010, 42.56.620, 42.56.625, 42.56.630, 43.06.490, 82.04.756,  
19 82.08.9997, 82.08.9998, 82.12.9997, 82.12.9998, and 84.34.410;  
20 repealing 2016 c 199 s 1, 2014 c 140 ss 1, 2, 8, 10, 15, 16, 17, 18,  
21 19, 20, 21, 22, 23, 24, 25, 29, 30, 31, 32, 33, 34, and 35, 2015 2nd  
22 sp.s. c 4 s 1502, 2015 c 71 s 2, 2014 c 192 s 6, 2016 c 178 s 1, 2016  
23 sp.s. c 9 s 3, 2015 c 70 ss 3 and 39, 2013 c 3 ss 2, 22, 23, 24, and

1 25; repealing 2013 c 3 s 1 and 2014 c 140 ss 40, 41, and 42  
2 (uncodified); providing effective dates; and providing expiration  
3 dates.

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

5 **Sec. 1.** RCW 69.50.101 and 2015 2nd sp.s. c 4 s 901 are each  
6 reenacted and amended to read as follows:

7 The definitions in this section apply throughout this chapter  
8 unless the context clearly requires otherwise.

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

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

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

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

20 (c) (~~("CBD concentration" has the meaning provided in RCW~~  
21 ~~69.51A.010.~~

22 ~~(d))~~ "Commission" means the pharmacy quality assurance  
23 commission.

24 ~~((e))~~ (d) "Controlled substance" means a drug, substance, or  
25 immediate precursor included in Schedules I through V as set forth in  
26 federal or state laws, or federal or commission rules.

27 ~~((f))~~ (e)(1) "Controlled substance analog" means a substance  
28 the chemical structure of which is substantially similar to the  
29 chemical structure of a controlled substance in Schedule I or II and:

30 (i) that has a stimulant, depressant, or hallucinogenic effect on  
31 the central nervous system substantially similar to the stimulant,  
32 depressant, or hallucinogenic effect on the central nervous system of  
33 a controlled substance included in Schedule I or II; or

34 (ii) with respect to a particular individual, that the individual  
35 represents or intends to have a stimulant, depressant, or  
36 hallucinogenic effect on the central nervous system substantially  
37 similar to the stimulant, depressant, or hallucinogenic effect on the

1 central nervous system of a controlled substance included in Schedule  
2 I or II.

3 (2) The term does not include:

4 (i) a controlled substance;

5 (ii) a substance for which there is an approved new drug  
6 application;

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

12 (iv) any substance to the extent not intended for human  
13 consumption before an exemption takes effect with respect to the  
14 substance.

15 ~~((g))~~ (f) "Deliver" or "delivery(~~(r)~~)" means the actual or  
16 constructive transfer from one person to another of a substance,  
17 whether or not there is an agency relationship.

18 ~~((h))~~ (g) "Department" means the department of health.

19 ~~((i))~~ ~~"Designated provider" has the meaning provided in RCW~~  
20 ~~69.51A.010.~~

21 ~~((j))~~ (h) "Dispense" means the interpretation of a prescription  
22 or order for a controlled substance and, pursuant to that  
23 prescription or order, the proper selection, measuring, compounding,  
24 labeling, or packaging necessary to prepare that prescription or  
25 order for delivery.

26 ~~((k))~~ (i) "Dispenser" means a practitioner who dispenses.

27 ~~((l))~~ (j) "Distribute" means to deliver other than by  
28 administering or dispensing a controlled substance.

29 ~~((m))~~ (k) "Distributor" means a person who distributes.

30 ~~((n))~~ (l) "Drug" means (1) a controlled substance recognized as  
31 a drug in the official United States pharmacopoeia/national formulary  
32 or the official homeopathic pharmacopoeia of the United States, or  
33 any supplement to them; (2) controlled substances intended for use in  
34 the diagnosis, cure, mitigation, treatment, or prevention of disease  
35 in individuals or animals; (3) controlled substances (other than  
36 food) intended to affect the structure or any function of the body of  
37 individuals or animals; and (4) controlled substances intended for  
38 use as a component of any article specified in (1), (2), or (3) of  
39 this subsection. The term does not include devices or their  
40 components, parts, or accessories.

1       ~~((+o))~~ (m) "Drug enforcement administration" means the drug  
2 enforcement administration in the United States Department of  
3 Justice, or its successor agency.

4       ~~((+p))~~ (n) "Electronic communication of prescription  
5 information" means the transmission of a prescription or refill  
6 authorization for a drug of a practitioner using computer systems.  
7 The term does not include a prescription or refill authorization  
8 verbally transmitted by telephone nor a facsimile manually signed by  
9 the practitioner.

10       ~~((+q))~~ (o) "Immediate precursor" means a substance:

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

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

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

18       ~~((+r))~~ (p) "Isomer" means an optical isomer, but in subsection  
19 ~~((+dd))~~ (s)(5) of this section, RCW 69.50.204(a) (12) and (34), and  
20 69.50.206(b)(4), the term includes any geometrical isomer; in RCW  
21 69.50.204(a) (8) and (42), and 69.50.210(c) the term includes any  
22 positional isomer; and in RCW 69.50.204(a)(35), 69.50.204(c), and  
23 69.50.208(a) the term includes any positional or geometric isomer.

24       ~~((+s) "Lot" means a definite quantity of marijuana, marijuana  
25 concentrates, useable marijuana, or marijuana-infused product  
26 identified by a lot number, every portion or package of which is  
27 uniform within recognized tolerances for the factors that appear in  
28 the labeling.~~

29       ~~(+t) "Lot number" must identify the licensee by business or trade  
30 name and Washington state unified business identifier number, and the  
31 date of harvest or processing for each lot of marijuana, marijuana  
32 concentrates, useable marijuana, or marijuana-infused product.~~

33       ~~(+u))~~ (q) "Manufacture" means the production, preparation,  
34 propagation, compounding, conversion, or processing of a controlled  
35 substance, either directly or indirectly or by extraction from  
36 substances of natural origin, or independently by means of chemical  
37 synthesis, or by a combination of extraction and chemical synthesis,  
38 and includes any packaging or repackaging of the substance or  
39 labeling or relabeling of its container. The term does not include

1 the preparation, compounding, packaging, repackaging, labeling, or  
2 relabeling of a controlled substance:

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

6 (2) by a practitioner, or by the practitioner's authorized agent  
7 under the practitioner's supervision, for the purpose of, or as an  
8 incident to, research, teaching, or chemical analysis and not for  
9 sale.

10 ~~((v))~~ (r) "Marijuana" or "marihuana" means all parts of the  
11 plant *Cannabis*, whether growing or not, with a THC concentration  
12 greater than 0.3 percent on a dry weight basis; the seeds thereof;  
13 the resin extracted from any part of the plant; and every compound,  
14 manufacture, salt, derivative, mixture, or preparation of the plant,  
15 its seeds or resin. The term does not include the mature stalks of  
16 the plant, fiber produced from the stalks, oil or cake made from the  
17 seeds of the plant, any other compound, manufacture, salt,  
18 derivative, mixture, or preparation of the mature stalks (except the  
19 resin extracted therefrom), fiber, oil, or cake, or the sterilized  
20 seed of the plant which is incapable of germination.

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

24 ~~(x) "Marijuana processor" means a person licensed by the state  
25 liquor and cannabis board to process marijuana into marijuana  
26 concentrates, useable marijuana, and marijuana-infused products,  
27 package and label marijuana concentrates, useable marijuana, and  
28 marijuana-infused products for sale in retail outlets, and sell  
29 marijuana concentrates, useable marijuana, and marijuana-infused  
30 products at wholesale to marijuana retailers.~~

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

34 ~~(z) "Marijuana products" means useable marijuana, marijuana  
35 concentrates, and marijuana-infused products as defined in this  
36 section.~~

37 ~~(aa) "Marijuana researcher" means a person licensed by the state  
38 liquor and cannabis board to produce, process, and possess marijuana  
39 for the purposes of conducting research on marijuana and marijuana-  
40 derived drug products.~~

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

4       ~~(cc)~~ "Marijuana-infused products" means products that contain  
5 marijuana or marijuana extracts, are intended for human use, are  
6 derived from marijuana as defined in subsection (v) of this section,  
7 and have a THC concentration no greater than ten percent. The term  
8 "marijuana-infused products" does not include either useable  
9 marijuana or marijuana concentrates.

10       ~~(dd)~~) (s) "Narcotic drug" means any of the following, whether  
11 produced directly or indirectly by extraction from substances of  
12 vegetable origin, or independently by means of chemical synthesis, or  
13 by a combination of extraction and chemical synthesis:

14       (1) Opium, opium derivative, and any derivative of opium or opium  
15 derivative, including their salts, isomers, and salts of isomers,  
16 whenever the existence of the salts, isomers, and salts of isomers is  
17 possible within the specific chemical designation. The term does not  
18 include the isoquinoline alkaloids of opium.

19       (2) Synthetic opiate and any derivative of synthetic opiate,  
20 including their isomers, esters, ethers, salts, and salts of isomers,  
21 esters, and ethers, whenever the existence of the isomers, esters,  
22 ethers, and salts is possible within the specific chemical  
23 designation.

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

25       (4) Coca leaves, except coca leaves and extracts of coca leaves  
26 from which cocaine, ecgonine, and derivatives or ecgonine or their  
27 salts have been removed.

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

29       (6) Cocaine base.

30       (7) Ecgonine, or any derivative, salt, isomer, or salt of isomer  
31 thereof.

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

34       ~~((ee))~~ (t) "Opiate" means any substance having an addiction-  
35 forming or addiction-sustaining liability similar to morphine or  
36 being capable of conversion into a drug having addiction-forming or  
37 addiction-sustaining liability. The term includes opium, substances  
38 derived from opium (opium derivatives), and synthetic opiates. The  
39 term does not include, unless specifically designated as controlled  
40 under RCW 69.50.201, the dextrorotatory isomer of 3-methoxy-n-

1 methylmorphinan and its salts (dextromethorphan). The term includes  
2 the racemic and levorotatory forms of dextromethorphan.

3 ~~((ff))~~ (u) "Opium poppy" means the plant of the species *Papaver*  
4 *somniferum* L., except its seeds.

5 ~~((gg))~~ (v) "Person" means individual, corporation, business  
6 trust, estate, trust, partnership, association, joint venture,  
7 government, governmental subdivision or agency, or any other legal or  
8 commercial entity.

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

10 ~~((ii))~~ (w) "Poppy straw" means all parts, except the seeds, of  
11 the opium poppy, after mowing.

12 ~~((jj))~~ (x) "Practitioner" means:

13 (1) A physician under chapter 18.71 RCW; a physician assistant  
14 under chapter 18.71A RCW; an osteopathic physician and surgeon under  
15 chapter 18.57 RCW; an osteopathic physician assistant under chapter  
16 18.57A RCW who is licensed under RCW 18.57A.020 subject to any  
17 limitations in RCW 18.57A.040; an optometrist licensed under chapter  
18 18.53 RCW who is certified by the optometry board under RCW 18.53.010  
19 subject to any limitations in RCW 18.53.010; a dentist under chapter  
20 18.32 RCW; a podiatric physician and surgeon under chapter 18.22 RCW;  
21 a veterinarian under chapter 18.92 RCW; a registered nurse, advanced  
22 registered nurse practitioner, or licensed practical nurse under  
23 chapter 18.79 RCW; a naturopathic physician under chapter 18.36A RCW  
24 who is licensed under RCW 18.36A.030 subject to any limitations in  
25 RCW 18.36A.040; a pharmacist under chapter 18.64 RCW or a scientific  
26 investigator under this chapter, licensed, registered or otherwise  
27 permitted insofar as is consistent with those licensing laws to  
28 distribute, dispense, conduct research with respect to or administer  
29 a controlled substance in the course of their professional practice  
30 or research in this state.

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

35 (3) A physician licensed to practice medicine and surgery, a  
36 physician licensed to practice osteopathic medicine and surgery, a  
37 dentist licensed to practice dentistry, a podiatric physician and  
38 surgeon licensed to practice podiatric medicine and surgery, a  
39 licensed physician assistant or a licensed osteopathic physician  
40 assistant specifically approved to prescribe controlled substances by

1 his or her state's medical quality assurance commission or equivalent  
2 and his or her supervising physician, an advanced registered nurse  
3 practitioner licensed to prescribe controlled substances, or a  
4 veterinarian licensed to practice veterinary medicine in any state of  
5 the United States.

6 ~~((kk))~~ (y) "Prescription" means an order for controlled  
7 substances issued by a practitioner duly authorized by law or rule in  
8 the state of Washington to prescribe controlled substances within the  
9 scope of his or her professional practice for a legitimate medical  
10 purpose.

11 ~~((ll))~~ (z) "Production" includes the manufacturing, planting,  
12 cultivating, growing, or harvesting of a controlled substance.

13 ~~((mm) "Qualifying patient" has the meaning provided in RCW  
14 69.51A.010.~~

15 ~~((nn) "Recognition card" has the meaning provided in RCW  
16 69.51A.010.~~

17 ~~((oo) "Retail outlet" means a location licensed by the state  
18 liquor and cannabis board for the retail sale of marijuana  
19 concentrates, useable marijuana, and marijuana infused products.~~

20 ~~((pp))~~ (aa) "Secretary" means the secretary of health or the  
21 secretary's designee.

22 ~~((qq))~~ (bb) "State," unless the context otherwise requires,  
23 means a state of the United States, the District of Columbia, the  
24 Commonwealth of Puerto Rico, or a territory or insular possession  
25 subject to the jurisdiction of the United States.

26 ~~((rr))~~ (cc) "THC concentration" means percent of delta-9  
27 tetrahydrocannabinol content per dry weight of any part of the plant  
28 *Cannabis*, or per volume or weight of marijuana product, or the  
29 combined percent of delta-9 tetrahydrocannabinol and  
30 tetrahydrocannabinolic acid in any part of the plant *Cannabis*  
31 regardless of moisture content.

32 ~~((ss))~~ (dd) "Ultimate user" means an individual who lawfully  
33 possesses a controlled substance for the individual's own use or for  
34 the use of a member of the individual's household or for  
35 administering to an animal owned by the individual or by a member of  
36 the individual's household.

37 ~~((tt) "Useable marijuana" means dried marijuana flowers. The  
38 term "useable marijuana" does not include either marijuana infused  
39 products or marijuana concentrates.))~~



1       **Sec. 2.** RCW 70.345.010 and 2016 sp.s. c 38 s 4 are each amended  
2 to read as follows:

3       The definitions in this section apply throughout this chapter  
4 unless the context clearly requires otherwise.

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

6       (2) "Business" means any trade, occupation, activity, or  
7 enterprise engaged in for the purpose of selling or distributing  
8 vapor products in this state.

9       (3) "Child care facility" has the same meaning as provided in RCW  
10 70.140.020.

11       (4) "Closed system nicotine container" means a sealed, prefilled,  
12 and disposable container of nicotine in a solution or other form in  
13 which such container is inserted directly into an electronic  
14 cigarette, electronic nicotine delivery system, or other similar  
15 product, if the nicotine in the container is inaccessible through  
16 customary or reasonably foreseeable handling or use, including  
17 reasonably foreseeable ingestion or other contact by children.

18       (5) "Delivery sale" means any sale of a vapor product to a  
19 purchaser in this state where either:

20       (a) The purchaser submits the order for such sale by means of a  
21 telephonic or other method of voice transmission, the mails or any  
22 other delivery service, or the internet or other online service; or

23       (b) The vapor product is delivered by use of the mails or of a  
24 delivery service. The foregoing sales of vapor products constitute a  
25 delivery sale regardless of whether the seller is located within or  
26 without this state. "Delivery sale" does not include a sale of any  
27 vapor product not for personal consumption to a retailer.

28       (6) "Delivery seller" means a person who makes delivery sales.

29       (7) "Distributor" means any person who:

30       (a) Sells vapor products to persons other than ultimate  
31 consumers; or

32       (b) Is engaged in the business of selling vapor products in this  
33 state and who brings, or causes to be brought, into this state from  
34 outside of the state any vapor products for sale.

35       (8) "Liquid nicotine container" means a package from which  
36 nicotine in a solution or other form is accessible through normal and  
37 foreseeable use by a consumer and that is used to hold soluble  
38 nicotine in any concentration. "Liquid nicotine container" does not  
39 include closed system nicotine containers.

1 (9) "Manufacturer" means a person who manufactures and sells  
2 vapor products.

3 (10) "Minor" refers to an individual who is less than eighteen  
4 years old.

5 (11) "Person" means any individual, receiver, administrator,  
6 executor, assignee, trustee in bankruptcy, trust, estate, firm,  
7 copartnership, joint venture, club, company, joint stock company,  
8 business trust, municipal corporation, the state and its departments  
9 and institutions, political subdivision of the state of Washington,  
10 corporation, limited liability company, association, society, any  
11 group of individuals acting as a unit, whether mutual, cooperative,  
12 fraternal, nonprofit, or otherwise.

13 (12) "Place of business" means any place where vapor products are  
14 sold or where vapor products are manufactured, stored, or kept for  
15 the purpose of sale.

16 (13) "Playground" means any public improved area designed,  
17 equipped, and set aside for play of six or more children which is not  
18 intended for use as an athletic playing field or athletic court,  
19 including but not limited to any play equipment, surfacing, fencing,  
20 signs, internal pathways, internal land forms, vegetation, and  
21 related structures.

22 (14) "Retail outlet" means each place of business from which  
23 vapor products are sold to consumers.

24 (15) "Retailer" means any person engaged in the business of  
25 selling vapor products to ultimate consumers.

26 (16)(a) "Sale" means any transfer, exchange, or barter, in any  
27 manner or by any means whatsoever, for a consideration, and includes  
28 and means all sales made by any person.

29 (b) The term "sale" includes a gift by a person engaged in the  
30 business of selling vapor products, for advertising, promoting, or as  
31 a means of evading the provisions of this chapter.

32 (17) "School" has the same meaning as provided in RCW 70.140.020.

33 (18) "Self-service display" means a display that contains vapor  
34 products and is located in an area that is openly accessible to  
35 customers and from which customers can readily access such products  
36 without the assistance of a salesperson. A display case that holds  
37 vapor products behind locked doors does not constitute a self-service  
38 display.

39 (19) "Vapor product" means any noncombustible product that may  
40 contain nicotine and that employs a heating element, power source,

1 electronic circuit, or other electronic, chemical, or mechanical  
2 means, regardless of shape or size, that can be used to produce vapor  
3 or aerosol from a solution or other substance.

4 (a) "Vapor product" includes any electronic cigarette, electronic  
5 cigar, electronic cigarillo, electronic pipe, or similar product or  
6 device and any vapor cartridge or other container that may contain  
7 nicotine in a solution or other form that is intended to be used with  
8 or in an electronic cigarette, electronic cigar, electronic  
9 cigarillo, electronic pipe, or similar product or device.

10 (b) "Vapor product" does not include any product that meets the  
11 definition of (~~marijuana, useable marijuana, marijuana concentrates,~~  
12 ~~marijuana-infused products,~~) cigarette(~~(,)~~) or tobacco products.

13 (~~((c) For purposes of this subsection (19), "marijuana," "useable~~  
14 ~~marijuana," "marijuana concentrates," and "marijuana-infused~~  
15 ~~products" have the same meaning as provided in RCW 69.50.101.))~~

16 **Sec. 3.** RCW 82.04.213 and 2015 3rd sp.s. c 6 s 1102 are each  
17 amended to read as follows:

18 (1) "Agricultural product" means any product of plant cultivation  
19 or animal husbandry including, but not limited to: A product of  
20 horticulture, grain cultivation, vermiculture, viticulture, or  
21 aquaculture as defined in RCW 15.85.020; plantation Christmas trees;  
22 short-rotation hardwoods as defined in RCW 84.33.035; turf; or any  
23 animal including but not limited to an animal that is a private  
24 sector cultured aquatic product as defined in RCW 15.85.020, or a  
25 bird, or insect, or the substances obtained from such an animal  
26 including honey bee products. "Agricultural product" does not include  
27 (~~(marijuana, useable marijuana, or marijuana-infused products, or)~~)  
28 animals defined as pet animals under RCW 16.70.020.

29 (2)(a) "Farmer" means any person engaged in the business of  
30 growing, raising, or producing, upon the person's own lands or upon  
31 the lands in which the person has a present right of possession, any  
32 agricultural product to be sold, and the growing, raising, or  
33 producing honey bee products for sale, or providing bee pollination  
34 services, by an eligible apiarist. "Farmer" does not include a person  
35 growing, raising, or producing such products for the person's own  
36 consumption; a person selling any animal or substance obtained  
37 therefrom in connection with the person's business of operating a  
38 stockyard or a slaughter or packing house; or a person in respect to  
39 the business of taking, cultivating, or raising timber.

1 (b) "Eligible apiarist" means a person who owns or keeps one or  
2 more bee colonies and who grows, raises, or produces honey bee  
3 products for sale at wholesale and is registered under RCW 15.60.021.

4 (c) "Honey bee products" means queen honey bees, packaged honey  
5 bees, honey, pollen, bees wax, propolis, or other substances obtained  
6 from honey bees. "Honey bee products" does not include manufactured  
7 substances or articles.

8 ~~((3) The terms "agriculture," "farming," "horticulture,"~~  
9 ~~"horticultural," and "horticultural product" may not be construed to~~  
10 ~~include or relate to marijuana, useable marijuana, or marijuana-~~  
11 ~~infused products unless the applicable term is explicitly defined to~~  
12 ~~include marijuana, useable marijuana, or marijuana-infused products.~~

13 ~~(4) "Marijuana," "useable marijuana," and "marijuana-infused~~  
14 ~~products" have the same meaning as in RCW 69.50.101.)~~

15 **Sec. 4.** RCW 82.04.260 and 2015 3rd sp.s. c 6 s 602 and 2015 3rd  
16 sp.s. c 6 s 205 are each reenacted and amended to read as follows:

17 (1) Upon every person engaging within this state in the business  
18 of manufacturing:

19 (a) Wheat into flour, barley into pearl barley, soybeans into  
20 soybean oil, canola into canola oil, canola meal, or canola by-  
21 products, or sunflower seeds into sunflower oil; as to such persons  
22 the amount of tax with respect to such business is equal to the value  
23 of the flour, pearl barley, oil, canola meal, or canola by-product  
24 manufactured, multiplied by the rate of 0.138 percent;

25 (b) Beginning July 1, 2025, seafood products that remain in a  
26 raw, raw frozen, or raw salted state at the completion of the  
27 manufacturing by that person; or selling manufactured seafood  
28 products that remain in a raw, raw frozen, or raw salted state at the  
29 completion of the manufacturing, to purchasers who transport in the  
30 ordinary course of business the goods out of this state; as to such  
31 persons the amount of tax with respect to such business is equal to  
32 the value of the products manufactured or the gross proceeds derived  
33 from such sales, multiplied by the rate of 0.138 percent. Sellers  
34 must keep and preserve records for the period required by RCW  
35 82.32.070 establishing that the goods were transported by the  
36 purchaser in the ordinary course of business out of this state;

37 (c)(i) ~~((Beginning))~~ Except as provided otherwise in (c)(iii) of  
38 this subsection, from July 1, 2025, until January 1, 2036, dairy  
39 products; or selling dairy products that the person has manufactured

1 to purchasers who either transport in the ordinary course of business  
2 the goods out of state or purchasers who use such dairy products as  
3 an ingredient or component in the manufacturing of a dairy product;  
4 as to such persons the tax imposed is equal to the value of the  
5 products manufactured or the gross proceeds derived from such sales  
6 multiplied by the rate of 0.138 percent. Sellers must keep and  
7 preserve records for the period required by RCW 82.32.070  
8 establishing that the goods were transported by the purchaser in the  
9 ordinary course of business out of this state or sold to a  
10 manufacturer for use as an ingredient or component in the  
11 manufacturing of a dairy product.

12 (ii) For the purposes of this subsection (1)(c), "dairy products"  
13 means:

14 (A) Products, not including any marijuana-infused product, that  
15 as of September 20, 2001, are identified in 21 C.F.R., chapter 1,  
16 parts 131, 133, and 135, including by-products from the manufacturing  
17 of the dairy products, such as whey and casein; and

18 (B) Products comprised of not less than seventy percent dairy  
19 products that qualify under (c)(ii)(A) of this subsection, measured  
20 by weight or volume.

21 (iii) The preferential tax rate provided to taxpayers under this  
22 subsection (1)(c) does not apply to sales of dairy products on or  
23 after July 1, 2023, where a dairy product is used by the purchaser as  
24 an ingredient or component in the manufacturing in Washington of a  
25 dairy product;

26 (d)((+)) Beginning July 1, 2025, fruits or vegetables by  
27 canning, preserving, freezing, processing, or dehydrating fresh  
28 fruits or vegetables, or selling at wholesale fruits or vegetables  
29 manufactured by the seller by canning, preserving, freezing,  
30 processing, or dehydrating fresh fruits or vegetables and sold to  
31 purchasers who transport in the ordinary course of business the goods  
32 out of this state; as to such persons the amount of tax with respect  
33 to such business is equal to the value of the products manufactured  
34 or the gross proceeds derived from such sales multiplied by the rate  
35 of 0.138 percent. Sellers must keep and preserve records for the  
36 period required by RCW 82.32.070 establishing that the goods were  
37 transported by the purchaser in the ordinary course of business out  
38 of this state((-

1       ~~(ii) For purposes of this subsection (1)(d), "fruits" and~~  
2 ~~"vegetables" do not include marijuana, useable marijuana, or~~  
3 ~~marijuana-infused products));~~

4       (e) Until July 1, 2009, alcohol fuel, biodiesel fuel, or  
5 biodiesel feedstock, as those terms are defined in RCW 82.29A.135; as  
6 to such persons the amount of tax with respect to the business is  
7 equal to the value of alcohol fuel, biodiesel fuel, or biodiesel  
8 feedstock manufactured, multiplied by the rate of 0.138 percent; and

9       (f) Wood biomass fuel as defined in RCW 82.29A.135; as to such  
10 persons the amount of tax with respect to the business is equal to  
11 the value of wood biomass fuel manufactured, multiplied by the rate  
12 of 0.138 percent.

13       (2) Upon every person engaging within this state in the business  
14 of splitting or processing dried peas; as to such persons the amount  
15 of tax with respect to such business is equal to the value of the  
16 peas split or processed, multiplied by the rate of 0.138 percent.

17       (3) Upon every nonprofit corporation and nonprofit association  
18 engaging within this state in research and development, as to such  
19 corporations and associations, the amount of tax with respect to such  
20 activities is equal to the gross income derived from such activities  
21 multiplied by the rate of 0.484 percent.

22       (4) Upon every person engaging within this state in the business  
23 of slaughtering, breaking and/or processing perishable meat products  
24 and/or selling the same at wholesale only and not at retail; as to  
25 such persons the tax imposed is equal to the gross proceeds derived  
26 from such sales multiplied by the rate of 0.138 percent.

27       (5) Upon every person engaging within this state in the business  
28 of acting as a travel agent or tour operator; as to such persons the  
29 amount of the tax with respect to such activities is equal to the  
30 gross income derived from such activities multiplied by the rate of  
31 0.275 percent.

32       (6) Upon every person engaging within this state in business as  
33 an international steamship agent, international customs house broker,  
34 international freight forwarder, vessel and/or cargo charter broker  
35 in foreign commerce, and/or international air cargo agent; as to such  
36 persons the amount of the tax with respect to only international  
37 activities is equal to the gross income derived from such activities  
38 multiplied by the rate of 0.275 percent.

39       (7) Upon every person engaging within this state in the business  
40 of stevedoring and associated activities pertinent to the movement of

1 goods and commodities in waterborne interstate or foreign commerce;  
2 as to such persons the amount of tax with respect to such business is  
3 equal to the gross proceeds derived from such activities multiplied  
4 by the rate of 0.275 percent. Persons subject to taxation under this  
5 subsection are exempt from payment of taxes imposed by chapter 82.16  
6 RCW for that portion of their business subject to taxation under this  
7 subsection. Stevedoring and associated activities pertinent to the  
8 conduct of goods and commodities in waterborne interstate or foreign  
9 commerce are defined as all activities of a labor, service or  
10 transportation nature whereby cargo may be loaded or unloaded to or  
11 from vessels or barges, passing over, onto or under a wharf, pier, or  
12 similar structure; cargo may be moved to a warehouse or similar  
13 holding or storage yard or area to await further movement in import  
14 or export or may move to a consolidation freight station and be  
15 stuffed, unstuffed, containerized, separated or otherwise segregated  
16 or aggregated for delivery or loaded on any mode of transportation  
17 for delivery to its consignee. Specific activities included in this  
18 definition are: Wharfage, handling, loading, unloading, moving of  
19 cargo to a convenient place of delivery to the consignee or a  
20 convenient place for further movement to export mode; documentation  
21 services in connection with the receipt, delivery, checking, care,  
22 custody and control of cargo required in the transfer of cargo;  
23 imported automobile handling prior to delivery to consignee; terminal  
24 stevedoring and incidental vessel services, including but not limited  
25 to plugging and unplugging refrigerator service to containers,  
26 trailers, and other refrigerated cargo receptacles, and securing ship  
27 hatch covers.

28 (8) Upon every person engaging within this state in the business  
29 of disposing of low-level waste, as defined in RCW 43.145.010; as to  
30 such persons the amount of the tax with respect to such business is  
31 equal to the gross income of the business, excluding any fees imposed  
32 under chapter 43.200 RCW, multiplied by the rate of 3.3 percent.

33 If the gross income of the taxpayer is attributable to activities  
34 both within and without this state, the gross income attributable to  
35 this state must be determined in accordance with the methods of  
36 apportionment required under RCW 82.04.460.

37 (9) Upon every person engaging within this state as an insurance  
38 producer or title insurance agent licensed under chapter 48.17 RCW or  
39 a surplus line broker licensed under chapter 48.15 RCW; as to such  
40 persons, the amount of the tax with respect to such licensed

1 activities is equal to the gross income of such business multiplied  
2 by the rate of 0.484 percent.

3 (10) Upon every person engaging within this state in business as  
4 a hospital, as defined in chapter 70.41 RCW, that is operated as a  
5 nonprofit corporation or by the state or any of its political  
6 subdivisions, as to such persons, the amount of tax with respect to  
7 such activities is equal to the gross income of the business  
8 multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5  
9 percent thereafter.

10 (11)(a) Beginning October 1, 2005, upon every person engaging  
11 within this state in the business of manufacturing commercial  
12 airplanes, or components of such airplanes, or making sales, at  
13 retail or wholesale, of commercial airplanes or components of such  
14 airplanes, manufactured by the seller, as to such persons the amount  
15 of tax with respect to such business is, in the case of  
16 manufacturers, equal to the value of the product manufactured and the  
17 gross proceeds of sales of the product manufactured, or in the case  
18 of processors for hire, equal to the gross income of the business,  
19 multiplied by the rate of:

20 (i) 0.4235 percent from October 1, 2005, through June 30, 2007;  
21 and

22 (ii) 0.2904 percent beginning July 1, 2007.

23 (b) Beginning July 1, 2008, upon every person who is not eligible  
24 to report under the provisions of (a) of this subsection (11) and is  
25 engaging within this state in the business of manufacturing tooling  
26 specifically designed for use in manufacturing commercial airplanes  
27 or components of such airplanes, or making sales, at retail or  
28 wholesale, of such tooling manufactured by the seller, as to such  
29 persons the amount of tax with respect to such business is, in the  
30 case of manufacturers, equal to the value of the product manufactured  
31 and the gross proceeds of sales of the product manufactured, or in  
32 the case of processors for hire, be equal to the gross income of the  
33 business, multiplied by the rate of 0.2904 percent.

34 (c) For the purposes of this subsection (11), "commercial  
35 airplane" and "component" have the same meanings as provided in RCW  
36 82.32.550.

37 (d) In addition to all other requirements under this title, a  
38 person reporting under the tax rate provided in this subsection (11)  
39 must file a complete annual report with the department under RCW  
40 82.32.534.



1 (e)(i) Except as provided in (e)(ii) of this subsection (11),  
2 this subsection (11) does not apply on and after July 1, 2040.

3 (ii) With respect to the manufacturing of commercial airplanes or  
4 making sales, at retail or wholesale, of commercial airplanes, this  
5 subsection (11) does not apply on and after July 1st of the year in  
6 which the department makes a determination that any final assembly or  
7 wing assembly of any version or variant of a commercial airplane that  
8 is the basis of a siting of a significant commercial airplane  
9 manufacturing program in the state under RCW 82.32.850 has been sited  
10 outside the state of Washington. This subsection (11)(e)(ii) only  
11 applies to the manufacturing or sale of commercial airplanes that are  
12 the basis of a siting of a significant commercial airplane  
13 manufacturing program in the state under RCW 82.32.850.

14 (12)(a) Until July 1, 2024, upon every person engaging within  
15 this state in the business of extracting timber or extracting for  
16 hire timber; as to such persons the amount of tax with respect to the  
17 business is, in the case of extractors, equal to the value of  
18 products, including by-products, extracted, or in the case of  
19 extractors for hire, equal to the gross income of the business,  
20 multiplied by the rate of 0.4235 percent from July 1, 2006, through  
21 June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30,  
22 2024.

23 (b) Until July 1, 2024, upon every person engaging within this  
24 state in the business of manufacturing or processing for hire: (i)  
25 Timber into timber products or wood products; or (ii) timber products  
26 into other timber products or wood products; as to such persons the  
27 amount of the tax with respect to the business is, in the case of  
28 manufacturers, equal to the value of products, including by-products,  
29 manufactured, or in the case of processors for hire, equal to the  
30 gross income of the business, multiplied by the rate of 0.4235  
31 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent  
32 from July 1, 2007, through June 30, 2024.

33 (c) Until July 1, 2024, upon every person engaging within this  
34 state in the business of selling at wholesale: (i) Timber extracted  
35 by that person; (ii) timber products manufactured by that person from  
36 timber or other timber products; or (iii) wood products manufactured  
37 by that person from timber or timber products; as to such persons the  
38 amount of the tax with respect to the business is equal to the gross  
39 proceeds of sales of the timber, timber products, or wood products  
40 multiplied by the rate of 0.4235 percent from July 1, 2006, through

1 June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30,  
2 2024.

3 (d) Until July 1, 2024, upon every person engaging within this  
4 state in the business of selling standing timber; as to such persons  
5 the amount of the tax with respect to the business is equal to the  
6 gross income of the business multiplied by the rate of 0.2904  
7 percent. For purposes of this subsection (12)(d), "selling standing  
8 timber" means the sale of timber apart from the land, where the buyer  
9 is required to sever the timber within thirty months from the date of  
10 the original contract, regardless of the method of payment for the  
11 timber and whether title to the timber transfers before, upon, or  
12 after severance.

13 (e) For purposes of this subsection, the following definitions  
14 apply:

15 (i) "Biocomposite surface products" means surface material  
16 products containing, by weight or volume, more than fifty percent  
17 recycled paper and that also use nonpetroleum-based phenolic resin as  
18 a bonding agent.

19 (ii) "Paper and paper products" means products made of interwoven  
20 cellulosic fibers held together largely by hydrogen bonding. "Paper  
21 and paper products" includes newsprint; office, printing, fine, and  
22 pressure-sensitive papers; paper napkins, towels, and toilet tissue;  
23 kraft bag, construction, and other kraft industrial papers;  
24 paperboard, liquid packaging containers, containerboard, corrugated,  
25 and solid-fiber containers including linerboard and corrugated  
26 medium; and related types of cellulosic products containing  
27 primarily, by weight or volume, cellulosic materials. "Paper and  
28 paper products" does not include books, newspapers, magazines,  
29 periodicals, and other printed publications, advertising materials,  
30 calendars, and similar types of printed materials.

31 (iii) "Recycled paper" means paper and paper products having  
32 fifty percent or more of their fiber content that comes from  
33 postconsumer waste. For purposes of this subsection (12)(e)(iii),  
34 "postconsumer waste" means a finished material that would normally be  
35 disposed of as solid waste, having completed its life cycle as a  
36 consumer item.

37 (iv) "Timber" means forest trees, standing or down, on privately  
38 or publicly owned land. "Timber" does not include Christmas trees  
39 that are cultivated by agricultural methods or short-rotation  
40 hardwoods as defined in RCW 84.33.035.

1 (v) "Timber products" means:

2 (A) Logs, wood chips, sawdust, wood waste, and similar products  
3 obtained wholly from the processing of timber, short-rotation  
4 hardwoods as defined in RCW 84.33.035, or both;

5 (B) Pulp, including market pulp and pulp derived from recovered  
6 paper or paper products; and

7 (C) Recycled paper, but only when used in the manufacture of  
8 biocomposite surface products.

9 (vi) "Wood products" means paper and paper products; dimensional  
10 lumber; engineered wood products such as particleboard, oriented  
11 strand board, medium density fiberboard, and plywood; wood doors;  
12 wood windows; and biocomposite surface products.

13 (f) Except for small harvesters as defined in RCW 84.33.035, a  
14 person reporting under the tax rate provided in this subsection (12)  
15 must file a complete annual survey with the department under RCW  
16 82.32.585.

17 (13) Upon every person engaging within this state in inspecting,  
18 testing, labeling, and storing canned salmon owned by another person,  
19 as to such persons, the amount of tax with respect to such activities  
20 is equal to the gross income derived from such activities multiplied  
21 by the rate of 0.484 percent.

22 (14)(a) Upon every person engaging within this state in the  
23 business of printing a newspaper, publishing a newspaper, or both,  
24 the amount of tax on such business is equal to the gross income of  
25 the business multiplied by the rate of 0.35 percent until July 1,  
26 2024, and 0.484 percent thereafter.

27 (b) A person reporting under the tax rate provided in this  
28 subsection (14) must file a complete annual report with the  
29 department under RCW 82.32.534.

30 **Sec. 5.** RCW 82.04.4266 and 2015 3rd sp.s. c 6 s 202 are each  
31 amended to read as follows:

32 (1) This chapter does not apply to the value of products or the  
33 gross proceeds of sales derived from:

34 (a) Manufacturing fruits or vegetables by canning, preserving,  
35 freezing, processing, or dehydrating fresh fruits or vegetables; or

36 (b) Selling at wholesale fruits or vegetables manufactured by the  
37 seller by canning, preserving, freezing, processing, or dehydrating  
38 fresh fruits or vegetables and sold to purchasers who transport in  
39 the ordinary course of business the goods out of this state. A person

1 taking an exemption under this subsection (1)(b) must keep and  
2 preserve records for the period required by RCW 82.32.070  
3 establishing that the goods were transported by the purchaser in the  
4 ordinary course of business out of this state.

5 ~~(2) ((For purposes of this section, "fruits" and "vegetables" do  
6 not include marijuana, useable marijuana, or marijuana-infused  
7 products.~~

8 ~~(3))~~ A person claiming the exemption provided in this section  
9 must file a complete annual survey with the department under RCW  
10 82.32.585.

11 ~~((4))~~ (3) This section expires July 1, 2025.

12 **Sec. 6.** RCW 82.08.010 and 2014 c 140 s 11 are each amended to  
13 read as follows:

14 For the purposes of this chapter:

15 (1)(a)(i) "Selling price" includes "sales price." "Sales price"  
16 means the total amount of consideration, except separately stated  
17 trade-in property of like kind, including cash, credit, property, and  
18 services, for which tangible personal property, extended warranties,  
19 digital goods, digital codes, digital automated services, or other  
20 services or anything else defined as a "retail sale" under RCW  
21 82.04.050 are sold, leased, or rented, valued in money, whether  
22 received in money or otherwise. No deduction from the total amount of  
23 consideration is allowed for the following: (A) The seller's cost of  
24 the property sold; (B) the cost of materials used, labor or service  
25 cost, interest, losses, all costs of transportation to the seller,  
26 all taxes imposed on the seller, and any other expense of the seller;  
27 (C) charges by the seller for any services necessary to complete the  
28 sale, other than delivery and installation charges; (D) delivery  
29 charges; and (E) installation charges.

30 (ii) When tangible personal property is rented or leased under  
31 circumstances that the consideration paid does not represent a  
32 reasonable rental for the use of the articles so rented or leased,  
33 the "selling price" must be determined as nearly as possible  
34 according to the value of such use at the places of use of similar  
35 products of like quality and character under such rules as the  
36 department may prescribe;

37 (b) "Selling price" or "sales price" does not include: Discounts,  
38 including cash, term, or coupons that are not reimbursed by a third  
39 party that are allowed by a seller and taken by a purchaser on a

1 sale; interest, financing, and carrying charges from credit extended  
2 on the sale of tangible personal property, extended warranties,  
3 digital goods, digital codes, digital automated services, or other  
4 services or anything else defined as a retail sale in RCW 82.04.050,  
5 if the amount is separately stated on the invoice, bill of sale, or  
6 similar document given to the purchaser; and any taxes legally  
7 imposed directly on the consumer that are separately stated on the  
8 invoice, bill of sale, or similar document given to the purchaser;

9 (c) "Selling price" or "sales price" includes consideration  
10 received by the seller from a third party if:

11 (i) The seller actually receives consideration from a party other  
12 than the purchaser, and the consideration is directly related to a  
13 price reduction or discount on the sale;

14 (ii) The seller has an obligation to pass the price reduction or  
15 discount through to the purchaser;

16 (iii) The amount of the consideration attributable to the sale is  
17 fixed and determinable by the seller at the time of the sale of the  
18 item to the purchaser; and

19 (iv) One of the criteria in this subsection (1)(c)(iv) is met:

20 (A) The purchaser presents a coupon, certificate, or other  
21 documentation to the seller to claim a price reduction or discount  
22 where the coupon, certificate, or documentation is authorized,  
23 distributed, or granted by a third party with the understanding that  
24 the third party will reimburse any seller to whom the coupon,  
25 certificate, or documentation is presented;

26 (B) The purchaser identifies himself or herself to the seller as  
27 a member of a group or organization entitled to a price reduction or  
28 discount, however a "preferred customer" card that is available to  
29 any patron does not constitute membership in such a group; or

30 (C) The price reduction or discount is identified as a third  
31 party price reduction or discount on the invoice received by the  
32 purchaser or on a coupon, certificate, or other documentation  
33 presented by the purchaser;

34 (2)(a) "Seller" means every person, including the state and its  
35 departments and institutions, making sales at retail or retail sales  
36 to a buyer, purchaser, or consumer, whether as agent, broker, or  
37 principal, except "seller" does not mean:

38 (i) The state and its departments and institutions when making  
39 sales to the state and its departments and institutions; or

1 (ii) A professional employer organization when a covered employee  
2 coemployed with the client under the terms of a professional employer  
3 agreement engages in activities that constitute a sale at retail that  
4 is subject to the tax imposed by this chapter. In such cases, the  
5 client, and not the professional employer organization, is deemed to  
6 be the seller and is responsible for collecting and remitting the tax  
7 imposed by this chapter.

8 (b) For the purposes of (a) of this subsection, the terms  
9 "client," "covered employee," "professional employer agreement," and  
10 "professional employer organization" have the same meanings as in RCW  
11 82.04.540;

12 (3) "Buyer," "purchaser," and "consumer" include, without  
13 limiting the scope hereof, every individual, receiver, assignee,  
14 trustee in bankruptcy, trust, estate, firm, copartnership, joint  
15 venture, club, company, joint stock company, business trust,  
16 corporation, association, society, or any group of individuals acting  
17 as a unit, whether mutual, cooperative, fraternal, nonprofit, or  
18 otherwise, municipal corporation, quasi municipal corporation, and  
19 also the state, its departments and institutions and all political  
20 subdivisions thereof, irrespective of the nature of the activities  
21 engaged in or functions performed, and also the United States or any  
22 instrumentality thereof;

23 (4) "Delivery charges" means charges by the seller of personal  
24 property or services for preparation and delivery to a location  
25 designated by the purchaser of personal property or services  
26 including, but not limited to, transportation, shipping, postage,  
27 handling, crating, and packing;

28 (5) "Direct mail" means printed material delivered or distributed  
29 by United States mail or other delivery service to a mass audience or  
30 to addressees on a mailing list provided by the purchaser or at the  
31 direction of the purchaser when the cost of the items are not billed  
32 directly to the recipients. "Direct mail" includes tangible personal  
33 property supplied directly or indirectly by the purchaser to the  
34 direct mail seller for inclusion in the package containing the  
35 printed material. "Direct mail" does not include multiple items of  
36 printed material delivered to a single address;

37 (6) The meaning attributed in chapter 82.04 RCW to the terms "tax  
38 year," "taxable year," "person," "company," "sale," "sale at  
39 wholesale," "wholesale," "business," "engaging in business," "cash  
40 discount," "successor," "consumer," "in this state," and "within this

1 state((~~7~~))" (~~((marijuana, useable marijuana, and marijuana-infused~~  
2 ~~products))~~) applies equally to the provisions of this chapter;

3 (7) For the purposes of the taxes imposed under this chapter and  
4 under chapter 82.12 RCW, "tangible personal property" means personal  
5 property that can be seen, weighed, measured, felt, or touched, or  
6 that is in any other manner perceptible to the senses. Tangible  
7 personal property includes electricity, water, gas, steam, and  
8 prewritten computer software;

9 (8) "Extended warranty" has the same meaning as in RCW  
10 82.04.050(7);

11 (9) The definitions in RCW 82.04.192 apply to this chapter;

12 (10) For the purposes of the taxes imposed under this chapter and  
13 chapter 82.12 RCW, whenever the terms "property" or "personal  
14 property" are used, those terms must be construed to include digital  
15 goods and digital codes unless:

16 (a) It is clear from the context that the term "personal  
17 property" is intended only to refer to tangible personal property;

18 (b) It is clear from the context that the term "property" is  
19 intended only to refer to tangible personal property, real property,  
20 or both; or

21 (c) To construe the term "property" or "personal property" as  
22 including digital goods and digital codes would yield unlikely,  
23 absurd, or strained consequences; and

24 (11) "Retail sale" or "sale at retail" means any sale, lease, or  
25 rental for any purpose other than for resale, sublease, or subrent.

26 (~~((12) The terms "agriculture," "farming," "horticulture,"~~  
27 ~~"horticultural," and "horticultural product" may not be construed to~~  
28 ~~include or relate to marijuana, useable marijuana, or marijuana-~~  
29 ~~infused products unless the applicable term is explicitly defined to~~  
30 ~~include marijuana, useable marijuana, or marijuana-infused~~  
31 ~~products.))~~)

32 **Sec. 7.** RCW 82.08.020 and 2014 c 140 s 12 are each amended to  
33 read as follows:

34 (1) There is levied and collected a tax equal to six and five-  
35 tenths percent of the selling price on each retail sale in this state  
36 of:

37 (a) Tangible personal property, unless the sale is specifically  
38 excluded from the RCW 82.04.050 definition of retail sale;

1 (b) Digital goods, digital codes, and digital automated services,  
2 if the sale is included within the RCW 82.04.050 definition of retail  
3 sale;

4 (c) Services, other than digital automated services, included  
5 within the RCW 82.04.050 definition of retail sale;

6 (d) Extended warranties to consumers; and

7 (e) Anything else, the sale of which is included within the RCW  
8 82.04.050 definition of retail sale.

9 (2) There is levied and collected an additional tax on each  
10 retail car rental, regardless of whether the vehicle is licensed in  
11 this state, equal to five and nine-tenths percent of the selling  
12 price. The revenue collected under this subsection must be deposited  
13 in the multimodal transportation account created in RCW 47.66.070.

14 (3) Beginning July 1, 2003, there is levied and collected an  
15 additional tax of three-tenths of one percent of the selling price on  
16 each retail sale of a motor vehicle in this state, other than retail  
17 car rentals taxed under subsection (2) of this section. The revenue  
18 collected under this subsection must be deposited in the multimodal  
19 transportation account created in RCW 47.66.070.

20 (4) For purposes of subsection (3) of this section, "motor  
21 vehicle" has the meaning provided in RCW 46.04.320, but does not  
22 include:

23 (a) Farm tractors or farm vehicles as defined in RCW 46.04.180  
24 and 46.04.181(~~(, unless the farm tractor or farm vehicle is for use~~  
25 ~~in the production of marijuana))~~);

26 (b) Off-road vehicles as defined in RCW 46.04.365;

27 (c) Nonhighway vehicles as defined in RCW 46.09.310; and

28 (d) Snowmobiles as defined in RCW 46.04.546.

29 (5) Beginning on December 8, 2005, 0.16 percent of the taxes  
30 collected under subsection (1) of this section must be dedicated to  
31 funding comprehensive performance audits required under RCW  
32 43.09.470. The revenue identified in this subsection must be  
33 deposited in the performance audits of government account created in  
34 RCW 43.09.475.

35 (6) The taxes imposed under this chapter apply to successive  
36 retail sales of the same property.

37 (7) The rates provided in this section apply to taxes imposed  
38 under chapter 82.12 RCW as provided in RCW 82.12.020.



1       **Sec. 8.** RCW 82.08.02565 and 2015 3rd sp.s. c 5 s 301 are each  
2 amended to read as follows:

3       (1)(a) The tax levied by RCW 82.08.020 does not apply to sales to  
4 a manufacturer or processor for hire of machinery and equipment used  
5 directly in a manufacturing operation or research and development  
6 operation, to sales to a person engaged in testing for a manufacturer  
7 or processor for hire of machinery and equipment used directly in a  
8 testing operation, or to sales of or charges made for labor and  
9 services rendered in respect to installing, repairing, cleaning,  
10 altering, or improving the machinery and equipment.

11       (b) Except as provided in (c) of this subsection, sellers making  
12 tax-exempt sales under this section must obtain from the purchaser an  
13 exemption certificate in a form and manner prescribed by the  
14 department by rule. The seller must retain a copy of the certificate  
15 for the seller's files.

16       (c)(i) The exemption under this section is in the form of a  
17 remittance for a gas distribution business, as defined in RCW  
18 82.16.010, claiming the exemption for machinery and equipment used  
19 for the production of compressed natural gas or liquefied natural gas  
20 for use as a transportation fuel.

21       (ii) A gas distribution business claiming an exemption from state  
22 and local tax in the form of a remittance under this section must pay  
23 the tax under RCW 82.08.020 and all applicable local sales taxes.  
24 Beginning July 1, 2017, the gas distribution business may then apply  
25 to the department for remittance of state and local sales and use  
26 taxes. A gas distribution business may not apply for a remittance  
27 more frequently than once a quarter. The gas distribution business  
28 must specify the amount of exempted tax claimed and the qualifying  
29 purchases for which the exemption is claimed. The gas distribution  
30 business must retain, in adequate detail, records to enable the  
31 department to determine whether the business is entitled to an  
32 exemption under this section, including: Invoices; proof of tax paid;  
33 and documents describing the machinery and equipment.

34       (iii) The department must determine eligibility under this  
35 section based on the information provided by the gas distribution  
36 business, which is subject to audit verification by the department.  
37 The department must on a quarterly basis remit exempted amounts to  
38 qualifying businesses who submitted applications during the previous  
39 quarter.

1 (iv) Beginning July 1, 2028, a gas distribution business may not  
2 apply for a refund under this section or RCW 82.12.02565.

3 (2) For purposes of this section and RCW 82.12.02565:

4 (a) "Machinery and equipment" means industrial fixtures, devices,  
5 and support facilities, and tangible personal property that becomes  
6 an ingredient or component thereof, including repair parts and  
7 replacement parts. "Machinery and equipment" includes pollution  
8 control equipment installed and used in a manufacturing operation,  
9 testing operation, or research and development operation to prevent  
10 air pollution, water pollution, or contamination that might otherwise  
11 result from the manufacturing operation, testing operation, or  
12 research and development operation. "Machinery and equipment" also  
13 includes digital goods.

14 (b) "Machinery and equipment" does not include:

15 (i) Hand-powered tools;

16 (ii) Property with a useful life of less than one year;

17 (iii) Buildings, other than machinery and equipment that is  
18 permanently affixed to or becomes a physical part of a building; and

19 (iv) Building fixtures that are not integral to the manufacturing  
20 operation, testing operation, or research and development operation  
21 that are permanently affixed to and become a physical part of a  
22 building, such as utility systems for heating, ventilation, air  
23 conditioning, communications, plumbing, or electrical.

24 (c) Machinery and equipment is "used directly" in a manufacturing  
25 operation, testing operation, or research and development operation  
26 if the machinery and equipment:

27 (i) Acts upon or interacts with an item of tangible personal  
28 property;

29 (ii) Conveys, transports, handles, or temporarily stores an item  
30 of tangible personal property at the manufacturing site or testing  
31 site;

32 (iii) Controls, guides, measures, verifies, aligns, regulates, or  
33 tests tangible personal property at the site or away from the site;

34 (iv) Provides physical support for or access to tangible personal  
35 property;

36 (v) Produces power for, or lubricates machinery and equipment;

37 (vi) Produces another item of tangible personal property for use  
38 in the manufacturing operation, testing operation, or research and  
39 development operation;

1 (vii) Places tangible personal property in the container,  
2 package, or wrapping in which the tangible personal property is  
3 normally sold or transported; or

4 (viii) Is integral to research and development as defined in RCW  
5 82.63.010.

6 (d) "Manufacturer" means a person that qualifies as a  
7 manufacturer under RCW 82.04.110. "Manufacturer" also includes a  
8 person that:

9 (i) Prints newspapers or other materials; or

10 (ii) Is engaged in the development of prewritten computer  
11 software that is not transferred to purchasers by means of tangible  
12 storage media.

13 (e) "Manufacturing" means only those activities that come within  
14 the definition of "to manufacture" in RCW 82.04.120 and are taxed as  
15 manufacturing or processing for hire under chapter 82.04 RCW, or  
16 would be taxed as such if such activity were conducted in this state  
17 or if not for an exemption or deduction. "Manufacturing" also  
18 includes printing newspapers or other materials. An activity is not  
19 taxed as manufacturing or processing for hire under chapter 82.04 RCW  
20 if the activity is within the purview of chapter 82.16 RCW.

21 (f) "Manufacturing operation" means the manufacturing of  
22 articles, substances, or commodities for sale as tangible personal  
23 property. A manufacturing operation begins at the point where the raw  
24 materials enter the manufacturing site and ends at the point where  
25 the processed material leaves the manufacturing site. With respect to  
26 the production of class A or exceptional quality biosolids by a  
27 wastewater treatment facility, the manufacturing operation begins at  
28 the point where class B biosolids undergo additional processing to  
29 achieve class A or exceptional quality standards. Notwithstanding  
30 anything to the contrary in this section, the term also includes that  
31 portion of a cogeneration project that is used to generate power for  
32 consumption within the manufacturing site of which the cogeneration  
33 project is an integral part. The term does not include the  
34 preparation of food products on the premises of a person selling food  
35 products at retail.

36 (g) "Cogeneration" means the simultaneous generation of  
37 electrical energy and low-grade heat from the same fuel.

38 (h) "Research and development operation" means engaging in  
39 research and development as defined in RCW 82.63.010 by a  
40 manufacturer or processor for hire.

1 (i) "Testing" means activities performed to establish or  
2 determine the properties, qualities, and limitations of tangible  
3 personal property.

4 (j) "Testing operation" means the testing of tangible personal  
5 property for a manufacturer or processor for hire. A testing  
6 operation begins at the point where the tangible personal property  
7 enters the testing site and ends at the point where the tangible  
8 personal property leaves the testing site. The term also includes the  
9 testing of tangible personal property for use in that portion of a  
10 cogeneration project that is used to generate power for consumption  
11 within the manufacturing site of which the cogeneration project is an  
12 integral part. The term does not include the testing of tangible  
13 personal property for use in the production of electricity by a light  
14 and power business as defined in RCW 82.16.010 or the preparation of  
15 food products on the premises of a person selling food products at  
16 retail.

17 ~~(3) ((This section does not apply (a) to sales of machinery and  
18 equipment used directly in the manufacturing, research and  
19 development, or testing of marijuana, useable marijuana, or  
20 marijuana-infused products, or (b) to sales of or charges made for  
21 labor and services rendered in respect to installing, repairing,  
22 cleaning, altering, or improving such machinery and equipment.~~

23 ~~(4))~~) The exemptions in this section do not apply to an  
24 ineligible person. For purposes of this subsection, the following  
25 definitions apply:

26 (a) "Affiliated group" means a group of two or more entities that  
27 are either:

28 (i) Affiliated as defined in RCW 82.32.655; or

29 (ii) Permitted to file a consolidated return for federal income  
30 tax purposes.

31 (b) "Ineligible person" means all members of an affiliated group  
32 if all of the following apply:

33 (i) At least one member of the affiliated group was registered  
34 with the department to do business in Washington state on or before  
35 July 1, 1981;

36 (ii) As of August 1, 2015, the combined employment in this state  
37 of the affiliated group exceeds forty thousand full-time and part-  
38 time employees, based on data reported to the employment security  
39 department by the affiliated group; and

1 (iii) The business activities of the affiliated group primarily  
2 include development, sales, and licensing of computer software and  
3 services.

4 **Sec. 9.** RCW 82.12.02565 and 2015 3rd sp.s. c 5 s 302 are each  
5 amended to read as follows:

6 (1) The provisions of this chapter do not apply in respect to the  
7 use by a manufacturer or processor for hire of machinery and  
8 equipment used directly in a manufacturing operation or research and  
9 development operation, to the use by a person engaged in testing for  
10 a manufacturer or processor for hire of machinery and equipment used  
11 directly in a testing operation, or to the use of labor and services  
12 rendered in respect to installing, repairing, cleaning, altering, or  
13 improving the machinery and equipment.

14 (2) The definitions, conditions, and requirements in RCW  
15 82.08.02565 apply to this section.

16 ~~(3) ((This section does not apply to the use of (a) machinery and  
17 equipment used directly in the manufacturing, research and  
18 development, or testing of marijuana, useable marijuana, or  
19 marijuana-infused products, or (b) labor and services rendered in  
20 respect to installing, repairing, cleaning, altering, or improving  
21 such machinery and equipment.~~

22 ~~(4))~~) The exemptions in this section do not apply to an  
23 ineligible person as defined in RCW 82.08.02565.

24 **Sec. 10.** RCW 82.29A.020 and 2014 c 207 s 3 and 2014 c 140 s 26  
25 are each reenacted and amended to read as follows:

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

28 (1)(a) "Leasehold interest" means an interest in publicly owned  
29 real or personal property which exists by virtue of any lease,  
30 permit, license, or any other agreement, written or verbal, between  
31 the public owner of the property and a person who would not be exempt  
32 from property taxes if that person owned the property in fee,  
33 granting possession and use, to a degree less than fee simple  
34 ownership. However, no interest in personal property (excluding land  
35 or buildings) which is owned by the United States, whether or not as  
36 trustee, or by any foreign government may constitute a leasehold  
37 interest hereunder when the right to use such property is granted  
38 pursuant to a contract solely for the manufacture or production of

1 articles for sale to the United States or any foreign government. The  
2 term "leasehold interest" includes the rights of use or occupancy by  
3 others of property which is owned in fee or held in trust by a public  
4 corporation, commission, or authority created under RCW 35.21.730 or  
5 35.21.660 if the property is listed on or is within a district listed  
6 on any federal or state register of historical sites.

7 (b) The term "leasehold interest" does not include:

8 (i) Road or utility easements, rights of access, occupancy, or  
9 use granted solely for the purpose of removing materials or products  
10 purchased from a public owner or the lessee of a public owner, or  
11 rights of access, occupancy, or use granted solely for the purpose of  
12 natural energy resource exploration; or

13 (ii) The preferential use of publicly owned cargo cranes and  
14 docks and associated areas used in the loading and discharging of  
15 cargo located at a port district marine facility. "Preferential use"  
16 means that publicly owned real or personal property is used by a  
17 private party under a written agreement with the public owner, but  
18 the public owner or any third party maintains a right to use the  
19 property when not being used by the private party.

20 (c) "Publicly owned real or personal property" includes real or  
21 personal property owned by a federally recognized Indian tribe in the  
22 state and exempt from tax under RCW 84.36.010.

23 (2)(a) "Taxable rent" means contract rent as defined in (c) of  
24 this subsection in all cases where the lease or agreement has been  
25 established or renegotiated through competitive bidding, or  
26 negotiated or renegotiated in accordance with statutory requirements  
27 regarding the rent payable, or negotiated or renegotiated under  
28 circumstances, established by public record, clearly showing that the  
29 contract rent was the maximum attainable by the lessor. However,  
30 after January 1, 1986, with respect to any lease which has been in  
31 effect for ten years or more without renegotiation, taxable rent may  
32 be established by procedures set forth in (g) of this subsection. All  
33 other leasehold interests are subject to the determination of taxable  
34 rent under the terms of (g) of this subsection.

35 (b) For purposes of determining leasehold excise tax on any lands  
36 on the Hanford reservation subleased to a private or public entity by  
37 the department of ecology, taxable rent includes only the annual cash  
38 rental payment made by such entity to the department of ecology as  
39 specifically referred to as rent in the sublease agreement between  
40 the parties and does not include any other fees, assessments, or

1 charges imposed on or collected by such entity irrespective of  
2 whether the private or public entity pays or collects such other  
3 fees, assessments, or charges as specified in the sublease agreement.

4 (c) "Contract rent" means the amount of consideration due as  
5 payment for a leasehold interest, including: The total of cash  
6 payments made to the lessor or to another party for the benefit of  
7 the lessor according to the requirements of the lease or agreement,  
8 including any rents paid by a sublessee; expenditures for the  
9 protection of the lessor's interest when required by the terms of the  
10 lease or agreement; and expenditures for improvements to the property  
11 to the extent that such improvements become the property of the  
12 lessor. Where the consideration conveyed for the leasehold interest  
13 is made in combination with payment for concession or other rights  
14 granted by the lessor, only that portion of such payment which  
15 represents consideration for the leasehold interest is part of  
16 contract rent.

17 (d) "Contract rent" does not include: (i) Expenditures made by  
18 the lessee, which under the terms of the lease or agreement, are to  
19 be reimbursed by the lessor to the lessee or expenditures for  
20 improvements and protection made pursuant to a lease or an agreement  
21 which requires that the use of the improved property be open to the  
22 general public and that no profit will inure to the lessee from the  
23 lease; (ii) expenditures made by the lessee for the replacement or  
24 repair of facilities due to fire or other casualty including payments  
25 for insurance to provide reimbursement for losses or payments to a  
26 public or private entity for protection of such property from damage  
27 or loss or for alterations or additions made necessary by an action  
28 of government taken after the date of the execution of the lease or  
29 agreement; (iii) improvements added to publicly owned property by a  
30 sublessee under an agreement executed prior to January 1, 1976, which  
31 have been taxed as personal property of the sublessee prior to  
32 January 1, 1976, or improvements made by a sublessee of the same  
33 lessee under a similar agreement executed prior to January 1, 1976,  
34 and such improvements are taxable to the sublessee as personal  
35 property; (iv) improvements added to publicly owned property if such  
36 improvements are being taxed as personal property to any person.

37 (e) Any prepaid contract rent is considered to have been paid in  
38 the year due and not in the year actually paid with respect to  
39 prepayment for a period of more than one year. Expenditures for  
40 improvements with a useful life of more than one year which are

1 included as part of contract rent must be treated as prepaid contract  
2 rent and prorated over the useful life of the improvement or the  
3 remaining term of the lease or agreement if the useful life is in  
4 excess of the remaining term of the lease or agreement. Rent prepaid  
5 prior to January 1, 1976, must be prorated from the date of  
6 prepayment.

7 (f) With respect to a "product lease," the value is that value  
8 determined at the time of sale under terms of the lease.

9 (g) If it is determined by the department of revenue, upon  
10 examination of a lessee's accounts or those of a lessor of publicly  
11 owned property, that a lessee is occupying or using publicly owned  
12 property in such a manner as to create a leasehold interest and that  
13 such leasehold interest has not been established through competitive  
14 bidding, or negotiated in accordance with statutory requirements  
15 regarding the rent payable, or negotiated under circumstances,  
16 established by public record, clearly showing that the contract rent  
17 was the maximum attainable by the lessor, the department may  
18 establish a taxable rent computation for use in determining the tax  
19 payable under authority granted in this chapter based upon the  
20 following criteria: (i) Consideration must be given to rental being  
21 paid to other lessors by lessees of similar property for similar  
22 purposes over similar periods of time; (ii) consideration must be  
23 given to what would be considered a fair rate of return on the market  
24 value of the property leased less reasonable deductions for any  
25 restrictions on use, special operating requirements or provisions for  
26 concurrent use by the lessor, another person or the general public.

27 (3) "Product lease" as used in this chapter means a lease of  
28 property for use in the production of agricultural or marine  
29 products(~~(, not including the production of marijuana as defined in~~  
30 ~~RCW 69.50.101,)) to the extent that such lease provides for the  
31 contract rent to be paid by the delivery of a stated percentage of  
32 the production of such agricultural or marine products to the credit  
33 of the lessor or the payment to the lessor of a stated percentage of  
34 the proceeds from the sale of such products.~~

35 (4) "Renegotiated" means a change in the lease agreement which  
36 changes the agreed time of possession, restrictions on use, the rate  
37 of the cash rental or of any other consideration payable by the  
38 lessee to or for the benefit of the lessor, other than any such  
39 change required by the terms of the lease or agreement. In addition  
40 "renegotiated" means a continuation of possession by the lessee



1 beyond the date when, under the terms of the lease agreement, the  
2 lessee had the right to vacate the premises without any further  
3 liability to the lessor.

4 (5) "City" means any city or town.

5 (6) "Products" includes natural resource products such as cut or  
6 picked evergreen foliage, Cascara bark, wild edible mushrooms, native  
7 ornamental trees and shrubs, ore and minerals, natural gas,  
8 geothermal water and steam, and forage removed through the grazing of  
9 livestock.

10 **Sec. 11.** RCW 82.29A.020 and 2015 3rd sp.s. c 6 s 2003 are each  
11 amended to read as follows:

12 The definitions in this section apply throughout this chapter  
13 unless the context requires otherwise.

14 (1)(a) "Leasehold interest" means an interest in publicly owned,  
15 or specified privately owned, real or personal property which exists  
16 by virtue of any lease, permit, license, or any other agreement,  
17 written or verbal, between the owner of the property and a person who  
18 would not be exempt from property taxes if that person owned the  
19 property in fee, granting possession and use, to a degree less than  
20 fee simple ownership. However, no interest in personal property  
21 (excluding land or buildings) which is owned by the United States,  
22 whether or not as trustee, or by any foreign government may  
23 constitute a leasehold interest hereunder when the right to use such  
24 property is granted pursuant to a contract solely for the manufacture  
25 or production of articles for sale to the United States or any  
26 foreign government. The term "leasehold interest" includes the rights  
27 of use or occupancy by others of property which is owned in fee or  
28 held in trust by a public corporation, commission, or authority  
29 created under RCW 35.21.730 or 35.21.660 if the property is listed on  
30 or is within a district listed on any federal or state register of  
31 historical sites.

32 (b) The term "leasehold interest" does not include:

33 (i) Road or utility easements, rights of access, occupancy, or  
34 use granted solely for the purpose of removing materials or products  
35 purchased from an owner or the lessee of an owner, or rights of  
36 access, occupancy, or use granted solely for the purpose of natural  
37 energy resource exploration; or

38 (ii) The preferential use of publicly owned cargo cranes and  
39 docks and associated areas used in the loading and discharging of

1 cargo located at a port district marine facility. "Preferential use"  
2 means that publicly owned real or personal property is used by a  
3 private party under a written agreement with the public owner, but  
4 the public owner or any third party maintains a right to use the  
5 property when not being used by the private party.

6 (2)(a) "Taxable rent" means contract rent as defined in (c) of  
7 this subsection in all cases where the lease or agreement has been  
8 established or renegotiated through competitive bidding, or  
9 negotiated or renegotiated in accordance with statutory requirements  
10 regarding the rent payable, or negotiated or renegotiated under  
11 circumstances, established by public record, clearly showing that the  
12 contract rent was the maximum attainable by the lessor. With respect  
13 to a leasehold interest in privately owned property, "taxable rent"  
14 means contract rent. However, after January 1, 1986, with respect to  
15 any lease which has been in effect for ten years or more without  
16 renegotiation, taxable rent may be established by procedures set  
17 forth in (g) of this subsection. All other leasehold interests are  
18 subject to the determination of taxable rent under the terms of (g)  
19 of this subsection.

20 (b) For purposes of determining leasehold excise tax on any lands  
21 on the Hanford reservation subleased to a private or public entity by  
22 the department of ecology, taxable rent includes only the annual cash  
23 rental payment made by such entity to the department of ecology as  
24 specifically referred to as rent in the sublease agreement between  
25 the parties and does not include any other fees, assessments, or  
26 charges imposed on or collected by such entity irrespective of  
27 whether the private or public entity pays or collects such other  
28 fees, assessments, or charges as specified in the sublease agreement.

29 (c) "Contract rent" means the amount of consideration due as  
30 payment for a leasehold interest, including: The total of cash  
31 payments made to the lessor or to another party for the benefit of  
32 the lessor according to the requirements of the lease or agreement,  
33 including any rents paid by a sublessee; expenditures for the  
34 protection of the lessor's interest when required by the terms of the  
35 lease or agreement; and expenditures for improvements to the property  
36 to the extent that such improvements become the property of the  
37 lessor. Where the consideration conveyed for the leasehold interest  
38 is made in combination with payment for concession or other rights  
39 granted by the lessor, only that portion of such payment which

1 represents consideration for the leasehold interest is part of  
2 contract rent.

3 (d) "Contract rent" does not include: (i) Expenditures made by  
4 the lessee, which under the terms of the lease or agreement, are to  
5 be reimbursed by the lessor to the lessee or expenditures for  
6 improvements and protection made pursuant to a lease or an agreement  
7 which requires that the use of the improved property be open to the  
8 general public and that no profit will inure to the lessee from the  
9 lease; (ii) expenditures made by the lessee for the replacement or  
10 repair of facilities due to fire or other casualty including payments  
11 for insurance to provide reimbursement for losses or payments to a  
12 public or private entity for protection of such property from damage  
13 or loss or for alterations or additions made necessary by an action  
14 of government taken after the date of the execution of the lease or  
15 agreement; (iii) improvements added to publicly owned property by a  
16 sublessee under an agreement executed prior to January 1, 1976, which  
17 have been taxed as personal property of the sublessee prior to  
18 January 1, 1976, or improvements made by a sublessee of the same  
19 lessee under a similar agreement executed prior to January 1, 1976,  
20 and such improvements are taxable to the sublessee as personal  
21 property; (iv) improvements added to publicly owned property if such  
22 improvements are being taxed as personal property to any person.

23 (e) Any prepaid contract rent is considered to have been paid in  
24 the year due and not in the year actually paid with respect to  
25 prepayment for a period of more than one year. Expenditures for  
26 improvements with a useful life of more than one year which are  
27 included as part of contract rent must be treated as prepaid contract  
28 rent and prorated over the useful life of the improvement or the  
29 remaining term of the lease or agreement if the useful life is in  
30 excess of the remaining term of the lease or agreement. Rent prepaid  
31 prior to January 1, 1976, must be prorated from the date of  
32 prepayment.

33 (f) With respect to a "product lease," the value is that value  
34 determined at the time of sale under terms of the lease.

35 (g) If it is determined by the department of revenue, upon  
36 examination of a lessee's accounts or those of a lessor of publicly  
37 owned property, that a lessee is occupying or using publicly owned  
38 property in such a manner as to create a leasehold interest and that  
39 such leasehold interest has not been established through competitive  
40 bidding, or negotiated in accordance with statutory requirements

1 regarding the rent payable, or negotiated under circumstances,  
2 established by public record, clearly showing that the contract rent  
3 was the maximum attainable by the lessor, the department may  
4 establish a taxable rent computation for use in determining the tax  
5 payable under authority granted in this chapter based upon the  
6 following criteria: (i) Consideration must be given to rental being  
7 paid to other lessors by lessees of similar property for similar  
8 purposes over similar periods of time; (ii) consideration must be  
9 given to what would be considered a fair rate of return on the market  
10 value of the property leased less reasonable deductions for any  
11 restrictions on use, special operating requirements or provisions for  
12 concurrent use by the lessor, another person or the general public.

13 (3) "Product lease" as used in this chapter means a lease of  
14 property for use in the production of agricultural or marine  
15 products(~~(, not including the production of marijuana as defined in~~  
16 ~~RCW 69.50.101,~~) to the extent that such lease provides for the  
17 contract rent to be paid by the delivery of a stated percentage of  
18 the production of such agricultural or marine products to the credit  
19 of the lessor or the payment to the lessor of a stated percentage of  
20 the proceeds from the sale of such products.

21 (4) "Renegotiated" means a change in the lease agreement which  
22 changes the agreed time of possession, restrictions on use, the rate  
23 of the cash rental or of any other consideration payable by the  
24 lessee to or for the benefit of the lessor, other than any such  
25 change required by the terms of the lease or agreement. In addition  
26 "renegotiated" means a continuation of possession by the lessee  
27 beyond the date when, under the terms of the lease agreement, the  
28 lessee had the right to vacate the premises without any further  
29 liability to the lessor.

30 (5) "City" means any city or town.

31 (6) "Products" includes natural resource products such as cut or  
32 picked evergreen foliage, Cascara bark, wild edible mushrooms, native  
33 ornamental trees and shrubs, ore and minerals, natural gas,  
34 geothermal water and steam, and forage removed through the grazing of  
35 livestock.

36 (7) "Publicly owned, or specified privately owned, real or  
37 personal property" includes real or personal property:

38 (a) Owned in fee or held in trust by a public entity and exempt  
39 from property tax under the laws or Constitution of this state or the  
40 Constitution of the United States;

1 (b) Owned by a federally recognized Indian tribe in the state and  
2 exempt from property tax under RCW 84.36.010;

3 (c) Owned by a nonprofit fair association exempt from property  
4 tax under RCW 84.36.480(2), but only with respect to that portion of  
5 the fair's property subject to the tax imposed in this chapter  
6 pursuant to RCW 84.36.480(2)(b); or

7 (d) Owned by a community center exempt from property tax under  
8 RCW 84.36.010.

9 **Sec. 12.** RCW 82.29A.020 and 2015 3rd sp.s. c 6 s 2004 are each  
10 amended to read as follows:

11 The definitions in this section apply throughout this chapter  
12 unless the context requires otherwise.

13 (1)(a) "Leasehold interest" means an interest in publicly owned,  
14 or specified privately owned, real or personal property which exists  
15 by virtue of any lease, permit, license, or any other agreement,  
16 written or verbal, between the owner of the property and a person who  
17 would not be exempt from property taxes if that person owned the  
18 property in fee, granting possession and use, to a degree less than  
19 fee simple ownership. However, no interest in personal property  
20 (excluding land or buildings) which is owned by the United States,  
21 whether or not as trustee, or by any foreign government may  
22 constitute a leasehold interest hereunder when the right to use such  
23 property is granted pursuant to a contract solely for the manufacture  
24 or production of articles for sale to the United States or any  
25 foreign government. The term "leasehold interest" includes the rights  
26 of use or occupancy by others of property which is owned in fee or  
27 held in trust by a public corporation, commission, or authority  
28 created under RCW 35.21.730 or 35.21.660 if the property is listed on  
29 or is within a district listed on any federal or state register of  
30 historical sites.

31 (b) The term "leasehold interest" does not include:

32 (i) Road or utility easements, rights of access, occupancy, or  
33 use granted solely for the purpose of removing materials or products  
34 purchased from an owner or the lessee of an owner, or rights of  
35 access, occupancy, or use granted solely for the purpose of natural  
36 energy resource exploration; or

37 (ii) The preferential use of publicly owned cargo cranes and  
38 docks and associated areas used in the loading and discharging of  
39 cargo located at a port district marine facility. "Preferential use"

1 means that publicly owned real or personal property is used by a  
2 private party under a written agreement with the public owner, but  
3 the public owner or any third party maintains a right to use the  
4 property when not being used by the private party.

5 (2)(a) "Taxable rent" means contract rent as defined in (c) of  
6 this subsection in all cases where the lease or agreement has been  
7 established or renegotiated through competitive bidding, or  
8 negotiated or renegotiated in accordance with statutory requirements  
9 regarding the rent payable, or negotiated or renegotiated under  
10 circumstances, established by public record, clearly showing that the  
11 contract rent was the maximum attainable by the lessor. With respect  
12 to a leasehold interest in privately owned property, "taxable rent"  
13 means contract rent. However, after January 1, 1986, with respect to  
14 any lease which has been in effect for ten years or more without  
15 renegotiation, taxable rent may be established by procedures set  
16 forth in (g) of this subsection. All other leasehold interests are  
17 subject to the determination of taxable rent under the terms of (g)  
18 of this subsection.

19 (b) For purposes of determining leasehold excise tax on any lands  
20 on the Hanford reservation subleased to a private or public entity by  
21 the department of ecology, taxable rent includes only the annual cash  
22 rental payment made by such entity to the department of ecology as  
23 specifically referred to as rent in the sublease agreement between  
24 the parties and does not include any other fees, assessments, or  
25 charges imposed on or collected by such entity irrespective of  
26 whether the private or public entity pays or collects such other  
27 fees, assessments, or charges as specified in the sublease agreement.

28 (c) "Contract rent" means the amount of consideration due as  
29 payment for a leasehold interest, including: The total of cash  
30 payments made to the lessor or to another party for the benefit of  
31 the lessor according to the requirements of the lease or agreement,  
32 including any rents paid by a sublessee; expenditures for the  
33 protection of the lessor's interest when required by the terms of the  
34 lease or agreement; and expenditures for improvements to the property  
35 to the extent that such improvements become the property of the  
36 lessor. Where the consideration conveyed for the leasehold interest  
37 is made in combination with payment for concession or other rights  
38 granted by the lessor, only that portion of such payment which  
39 represents consideration for the leasehold interest is part of  
40 contract rent.

1 (d) "Contract rent" does not include: (i) Expenditures made by  
2 the lessee, which under the terms of the lease or agreement, are to  
3 be reimbursed by the lessor to the lessee or expenditures for  
4 improvements and protection made pursuant to a lease or an agreement  
5 which requires that the use of the improved property be open to the  
6 general public and that no profit will inure to the lessee from the  
7 lease; (ii) expenditures made by the lessee for the replacement or  
8 repair of facilities due to fire or other casualty including payments  
9 for insurance to provide reimbursement for losses or payments to a  
10 public or private entity for protection of such property from damage  
11 or loss or for alterations or additions made necessary by an action  
12 of government taken after the date of the execution of the lease or  
13 agreement; (iii) improvements added to publicly owned property by a  
14 sublessee under an agreement executed prior to January 1, 1976, which  
15 have been taxed as personal property of the sublessee prior to  
16 January 1, 1976, or improvements made by a sublessee of the same  
17 lessee under a similar agreement executed prior to January 1, 1976,  
18 and such improvements are taxable to the sublessee as personal  
19 property; (iv) improvements added to publicly owned property if such  
20 improvements are being taxed as personal property to any person.

21 (e) Any prepaid contract rent is considered to have been paid in  
22 the year due and not in the year actually paid with respect to  
23 prepayment for a period of more than one year. Expenditures for  
24 improvements with a useful life of more than one year which are  
25 included as part of contract rent must be treated as prepaid contract  
26 rent and prorated over the useful life of the improvement or the  
27 remaining term of the lease or agreement if the useful life is in  
28 excess of the remaining term of the lease or agreement. Rent prepaid  
29 prior to January 1, 1976, must be prorated from the date of  
30 prepayment.

31 (f) With respect to a "product lease," the value is that value  
32 determined at the time of sale under terms of the lease.

33 (g) If it is determined by the department of revenue, upon  
34 examination of a lessee's accounts or those of a lessor of publicly  
35 owned property, that a lessee is occupying or using publicly owned  
36 property in such a manner as to create a leasehold interest and that  
37 such leasehold interest has not been established through competitive  
38 bidding, or negotiated in accordance with statutory requirements  
39 regarding the rent payable, or negotiated under circumstances,  
40 established by public record, clearly showing that the contract rent

1 was the maximum attainable by the lessor, the department may  
2 establish a taxable rent computation for use in determining the tax  
3 payable under authority granted in this chapter based upon the  
4 following criteria: (i) Consideration must be given to rental being  
5 paid to other lessors by lessees of similar property for similar  
6 purposes over similar periods of time; (ii) consideration must be  
7 given to what would be considered a fair rate of return on the market  
8 value of the property leased less reasonable deductions for any  
9 restrictions on use, special operating requirements or provisions for  
10 concurrent use by the lessor, another person or the general public.

11 (3) "Product lease" as used in this chapter means a lease of  
12 property for use in the production of agricultural or marine  
13 products(~~(, not including the production of marijuana as defined in~~  
14 ~~RCW 69.50.101,))~~) to the extent that such lease provides for the  
15 contract rent to be paid by the delivery of a stated percentage of  
16 the production of such agricultural or marine products to the credit  
17 of the lessor or the payment to the lessor of a stated percentage of  
18 the proceeds from the sale of such products.

19 (4) "Renegotiated" means a change in the lease agreement which  
20 changes the agreed time of possession, restrictions on use, the rate  
21 of the cash rental or of any other consideration payable by the  
22 lessee to or for the benefit of the lessor, other than any such  
23 change required by the terms of the lease or agreement. In addition  
24 "renegotiated" means a continuation of possession by the lessee  
25 beyond the date when, under the terms of the lease agreement, the  
26 lessee had the right to vacate the premises without any further  
27 liability to the lessor.

28 (5) "City" means any city or town.

29 (6) "Products" includes natural resource products such as cut or  
30 picked evergreen foliage, Cascara bark, wild edible mushrooms, native  
31 ornamental trees and shrubs, ore and minerals, natural gas,  
32 geothermal water and steam, and forage removed through the grazing of  
33 livestock.

34 (7) "Publicly owned, or specified privately owned, real or  
35 personal property" includes real or personal property:

36 (a) Owned in fee or held in trust by a public entity and exempt  
37 from property tax under the laws or Constitution of this state or the  
38 Constitution of the United States;

39 (b) Owned by a federally recognized Indian tribe in the state and  
40 exempt from property tax under RCW 84.36.010;



1 (c) Owned by a nonprofit fair association exempt from property  
2 tax under RCW 84.36.480(2), but only with respect to that portion of  
3 the fair's property subject to the tax imposed in this chapter  
4 pursuant to RCW 84.36.480(2)(b); or

5 (d) Owned by a community center exempt from property tax under  
6 RCW 84.36.010.

7 **Sec. 13.** RCW 69.50.401 and 2015 c 265 s 34 are each amended to  
8 read as follows:

9 (1) Except as authorized by this chapter, it is unlawful for any  
10 person to manufacture, deliver, or possess with intent to manufacture  
11 or deliver, a controlled substance.

12 (2) Any person who violates this section with respect to:

13 (a) A controlled substance classified in Schedule I or II which  
14 is a narcotic drug or flunitrazepam, including its salts, isomers,  
15 and salts of isomers, classified in Schedule IV, is guilty of a class  
16 B felony and upon conviction may be imprisoned for not more than ten  
17 years, or (i) fined not more than twenty-five thousand dollars if the  
18 crime involved less than two kilograms of the drug, or both such  
19 imprisonment and fine; or (ii) if the crime involved two or more  
20 kilograms of the drug, then fined not more than one hundred thousand  
21 dollars for the first two kilograms and not more than fifty dollars  
22 for each gram in excess of two kilograms, or both such imprisonment  
23 and fine;

24 (b) Amphetamine, including its salts, isomers, and salts of  
25 isomers, or methamphetamine, including its salts, isomers, and salts  
26 of isomers, is guilty of a class B felony and upon conviction may be  
27 imprisoned for not more than ten years, or (i) fined not more than  
28 twenty-five thousand dollars if the crime involved less than two  
29 kilograms of the drug, or both such imprisonment and fine; or (ii) if  
30 the crime involved two or more kilograms of the drug, then fined not  
31 more than one hundred thousand dollars for the first two kilograms  
32 and not more than fifty dollars for each gram in excess of two  
33 kilograms, or both such imprisonment and fine. Three thousand dollars  
34 of the fine may not be suspended. As collected, the first three  
35 thousand dollars of the fine must be deposited with the law  
36 enforcement agency having responsibility for cleanup of laboratories,  
37 sites, or substances used in the manufacture of the methamphetamine,  
38 including its salts, isomers, and salts of isomers. The fine moneys

1 deposited with that law enforcement agency must be used for such  
2 clean-up cost;

3 (c) Any other controlled substance classified in Schedule I, II,  
4 or III, is guilty of a class C felony punishable according to chapter  
5 9A.20 RCW;

6 (d) A substance classified in Schedule IV, except flunitrazepam,  
7 including its salts, isomers, and salts of isomers, is guilty of a  
8 class C felony punishable according to chapter 9A.20 RCW; or

9 (e) A substance classified in Schedule V, is guilty of a class C  
10 felony punishable according to chapter 9A.20 RCW.

11 (3) (~~The production, manufacture, processing, packaging,  
12 delivery, distribution, sale, or possession of marijuana in  
13 compliance with the terms set forth in RCW 69.50.360, 69.50.363, or  
14 69.50.366 shall not constitute a violation of this section, this  
15 chapter, or any other provision of Washington state law.~~

16 ~~(4))~~) The fines in this section apply to adult offenders only.

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

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

24 (2) Except as provided in RCW 69.50.4014, any person who violates  
25 this section is guilty of a class C felony punishable under chapter  
26 9A.20 RCW.

27 (3) ~~((a))~~) The possession (~~(, by a person)~~) of marijuana in pill  
28 form is not a violation of this section, this chapter, or any other  
29 provision of Washington state law if the person in possession:

30 (a) Is twenty-one years of age or older(~~(, of useable marijuana,~~  
31 marijuana concentrates, or marijuana-infused products in amounts that  
32 do not exceed those set forth in RCW 69.50.360(3) is not a violation  
33 of this section, this chapter, or any other provision of Washington  
34 state law.));

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

1 ~~accordance with RCW 69.50.382 and 69.50.385, is not a violation of~~  
2 ~~this section, this chapter, or any other provision of Washington~~  
3 ~~state law.~~

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

8 ~~(5) The possession by a qualifying patient or designated provider~~  
9 ~~of marijuana concentrates, useable marijuana, marijuana infused~~  
10 ~~products, or plants in accordance with chapter 69.51A RCW is not a~~  
11 ~~violation of this section, this chapter, or any other provision of~~  
12 ~~Washington state law)) Has been advised by a physician about the~~  
13 ~~risks and benefits of medical use of marijuana and that the person~~  
14 ~~may benefit from the medical use of marijuana; and~~

15 ~~(c) Has been provided by the physician with certification of that~~  
16 ~~advice, along with a valid prescription.~~

17 **Sec. 15.** RCW 69.50.412 and 2013 c 3 s 22 and 2012 c 117 s 368  
18 are each reenacted to read as follows:

19 (1) It is unlawful for any person to use drug paraphernalia to  
20 plant, propagate, cultivate, grow, harvest, manufacture, compound,  
21 convert, produce, process, prepare, test, analyze, pack, repack,  
22 store, contain, conceal, inject, ingest, inhale, or otherwise  
23 introduce into the human body a controlled substance. Any person who  
24 violates this subsection is guilty of a misdemeanor.

25 (2) It is unlawful for any person to deliver, possess with intent  
26 to deliver, or manufacture with intent to deliver drug paraphernalia,  
27 knowing, or under circumstances where one reasonably should know,  
28 that it will be used to plant, propagate, cultivate, grow, harvest,  
29 manufacture, compound, convert, produce, process, prepare, test,  
30 analyze, pack, repack, store, contain, conceal, inject, ingest,  
31 inhale, or otherwise introduce into the human body a controlled  
32 substance. Any person who violates this subsection is guilty of a  
33 misdemeanor.

34 (3) Any person eighteen years of age or over who violates  
35 subsection (2) of this section by delivering drug paraphernalia to a  
36 person under eighteen years of age who is at least three years his or  
37 her junior is guilty of a gross misdemeanor.

38 (4) It is unlawful for any person to place in any newspaper,  
39 magazine, handbill, or other publication any advertisement, knowing,

1 or under circumstances where one reasonably should know, that the  
2 purpose of the advertisement, in whole or in part, is to promote the  
3 sale of objects designed or intended for use as drug paraphernalia.  
4 Any person who violates this subsection is guilty of a misdemeanor.

5 (5) It is lawful for any person over the age of eighteen to  
6 possess sterile hypodermic syringes and needles for the purpose of  
7 reducing blood-borne diseases.

8 NEW SECTION. **Sec. 16.** The following acts or parts of acts are  
9 each repealed:

10 (1) RCW 69.50.325 (Marijuana producer's license, marijuana  
11 processor's license, marijuana retailer's license) and 2016 c 170 s  
12 1, 2015 c 70 s 5, 2014 c 192 s 2, & 2013 c 3 s 4;

13 (2) RCW 69.50.328 (Marijuana producers, processors—No direct or  
14 indirect financial interest in licensed marijuana retailers) and 2013  
15 c 3 s 5;

16 (3) RCW 69.50.331 (Application for license) and 2015 2nd sp.s. c  
17 4 s 301, 2015 c 70 s 6, & 2013 c 3 s 6;

18 (4) RCW 69.50.334 (Denial of application—Opportunity for hearing)  
19 and 2015 2nd sp.s. c 4 s 201 & 2013 c 3 s 7;

20 (5) RCW 69.50.339 (Transfer of license to produce, process, or  
21 sell marijuana—Reporting of proposed sales of outstanding or issued  
22 stock of a corporation) and 2013 c 3 s 8;

23 (6) RCW 69.50.342 (State liquor and cannabis board may adopt  
24 rules) and 2015 2nd sp.s. c 4 s 1601, 2015 c 70 s 7, & 2013 c 3 s 9;

25 (7) RCW 69.50.345 (State liquor and cannabis board—Rules—  
26 Procedures and criteria) and 2015 c 70 s 8 & 2013 c 3 s 10;

27 (8) RCW 69.50.348 (Representative samples of marijuana, useable  
28 marijuana, or marijuana-infused products) and 2013 c 3 s 11;

29 (9) RCW 69.50.351 (Interest—Members and employees of state liquor  
30 control board) and 2013 c 3 s 12;

31 (10) RCW 69.50.354 (Retail outlet licenses) and 2015 c 70 s 9,  
32 2014 c 192 s 3, & 2013 c 3 s 13;

33 (11) RCW 69.50.357 (Retail outlets—Rules) and 2016 c 171 s 1,  
34 2015 2nd sp.s. c 4 s 203, 2015 c 70 s 12, 2014 c 192 s 4, & 2013 c 3  
35 s 14;

36 (12) RCW 69.50.360 (Marijuana retailers, employees of retail  
37 outlets—Certain acts not criminal or civil offenses) and 2015 c 207 s  
38 6, 2015 c 70 s 13, 2014 c 192 s 5, & 2013 c 3 s 15;

1 (13) RCW 69.50.363 (Marijuana processors, employees—Certain acts  
2 not criminal or civil offenses) and 2015 c 207 s 7 & 2013 c 3 s 16;  
3 (14) RCW 69.50.366 (Marijuana producers, employees—Certain acts  
4 not criminal or civil offenses) and 2015 c 207 s 8 & 2013 c 3 s 17;  
5 (15) RCW 69.50.369 (Marijuana producers, processors, researchers,  
6 retailers—Advertisements—Penalty) and 2015 2nd sp.s. c 4 s 204 &  
7 2013 c 3 s 18;  
8 (16) RCW 69.50.372 (Marijuana research license) and 2016 sp.s. c  
9 9 s 1, 2015 2nd sp.s. c 4 s 1501, & 2015 c 71 s 1;  
10 (17) RCW 69.50.375 (Marijuana retailers—Medical marijuana  
11 endorsement) and 2015 c 70 s 10;  
12 (18) RCW 69.50.378 (Marijuana retailer holding medical marijuana  
13 endorsement—THC concentration in products) and 2015 c 70 s 11;  
14 (19) RCW 69.50.380 (Marijuana producers, processors, retailers  
15 prohibited from making certain sales of marijuana, marijuana  
16 products) and 2015 2nd sp.s. c 4 s 211;  
17 (20) RCW 69.50.382 (Common carriers—Transportation or delivery of  
18 marijuana, useable marijuana, marijuana concentrates, and marijuana-  
19 infused products—Employees prohibited from carrying or using firearm  
20 during such services—Exceptions—Use of state ferry routes) and 2015  
21 2nd sp.s. c 4 s 501;  
22 (21) RCW 69.50.385 (Common carriers—Licensing—State liquor and  
23 cannabis board to adopt rules) and 2015 2nd sp.s. c 4 s 502;  
24 (22) RCW 69.50.390 (Licensed retailers prohibited from operating  
25 vending machines, drive-through purchase facilities for the sale of  
26 marijuana products) and 2015 2nd sp.s. c 4 s 1301;  
27 (23) RCW 69.50.445 (Opening package of or consuming marijuana,  
28 useable marijuana, marijuana-infused products, or marijuana  
29 concentrates in view of general public or public place—Penalty) and  
30 2015 2nd sp.s. c 4 s 401 & 2013 c 3 s 21;  
31 (24) RCW 69.50.450 (Butane or other explosive gases) and 2015 c  
32 70 s 15;  
33 (25) RCW 69.50.465 (Conducting or maintaining marijuana club—  
34 Penalty) and 2015 2nd sp.s. c 4 s 1401;  
35 (26) RCW 69.50.515 (Pharmacies—Marijuana—Notification and  
36 disposal) and 2013 c 133 s 1;  
37 (27) RCW 69.50.530 (Dedicated marijuana account) and 2016 sp.s. c  
38 36 s 942, 2015 2nd sp.s. c 4 s 1101, & 2013 c 3 s 26;

1 (28) RCW 69.50.535 (Marijuana excise tax—State liquor and  
2 cannabis board to review tax level—Reports—State and federal  
3 antitrust laws) and 2015 2nd sp.s. c 4 s 205, 2014 c 192 s 7, & 2013  
4 c 3 s 27;

5 (29) RCW 69.50.540 (Dedicated marijuana account—Appropriations)  
6 and 2015 3rd sp.s. c 4 s 967, 2015 2nd sp.s. c 4 s 206, & 2013 c 3 s  
7 28;

8 (30) RCW 69.50.545 (Departments of social and health services,  
9 health—Adoption of rules for disbursement of marijuana excise taxes)  
10 and 2013 c 3 s 29;

11 (31) RCW 69.50.550 (Cost-benefit evaluations) and 2013 c 3 s 30;

12 (32) RCW 69.50.555 (Taxes, fees, assessments, charges—Commercial  
13 activities covered by marijuana agreement between state and tribe)  
14 and 2015 c 207 s 3;

15 (33) RCW 69.50.560 (Controlled purchase programs—Persons under  
16 age twenty-one—Violation—Criminal penalty—Exceptions) and 2015 c 70  
17 s 33;

18 (34) RCW 69.50.565 (Unpaid trust fund taxes—Limited liability  
19 business entities—Liability of responsible individuals—  
20 Administrative hearing) and 2015 2nd sp.s. c 4 s 202;

21 (35) RCW 69.50.570 (Bundled transactions—Retail sales—Subject to  
22 tax—Exception) and 2015 2nd sp.s. c 4 s 210;

23 (36) RCW 69.50.575 (Cannabis health and beauty aids) and 2015 2nd  
24 sp.s. c 4 s 701;

25 (37) RCW 69.50.580 (Applicants for marijuana producer's,  
26 processor's, researcher's, or retailer's licenses—Signage—Public  
27 notice requirements) and 2015 2nd sp.s. c 4 s 801;

28 (38) RCW 69.50.585 (Branded promotional items—Nominal value—  
29 Personal services) and 2016 sp.s. c 17 s 1;

30 (39) RCW 69.51A.005 (Purpose and intent) and 2015 c 70 s 16, 2011  
31 c 181 s 102, 2010 c 284 s 1, 2007 c 371 s 2, & 1999 c 2 s 2;

32 (40) RCW 69.51A.010 (Definitions) and 2015 c 70 s 17, 2010 c 284  
33 s 2, 2007 c 371 s 3, & 1999 c 2 s 6;

34 (41) RCW 69.51A.030 (Acts not constituting crimes or  
35 unprofessional conduct—Health care professionals not subject to  
36 penalties or liabilities) and 2015 c 70 s 18, 2011 c 181 s 301, 2010  
37 c 284 s 3, 2007 c 371 s 4, & 1999 c 2 s 4;

38 (42) RCW 69.51A.040 (Compliance with chapter—Qualifying patients  
39 and designated providers not subject to penalties—Law enforcement not

1 subject to liability) and 2015 c 70 s 24, 2011 c 181 s 401, 2007 c  
2 371 s 5, & 1999 c 2 s 5;

3 (43) RCW 69.51A.043 (Failure to enter into the medical marijuana  
4 authorization database—Affirmative defense) and 2015 c 70 s 25 & 2011  
5 c 181 s 402;

6 (44) RCW 69.51A.045 (Possession of plants, marijuana  
7 concentrates, useable marijuana, or marijuana-infused products  
8 exceeding lawful amount—Affirmative defense) and 2015 c 70 s 29 &  
9 2011 c 181 s 405;

10 (45) RCW 69.51A.050 (Medical marijuana, lawful possession—State  
11 not liable) and 1999 c 2 s 7;

12 (46) RCW 69.51A.055 (Limitations of chapter—Persons under  
13 supervision) and 2015 c 70 s 30 & 2011 c 181 s 1105;

14 (47) RCW 69.51A.060 (Crimes—Limitations of chapter) and 2015 c 70  
15 s 31, 2011 c 181 s 501, 2010 c 284 s 4, 2007 c 371 s 6, & 1999 c 2 s  
16 8;

17 (48) RCW 69.51A.100 (Qualifying patient's designation of a  
18 specific designated provider—Provider's service as designated  
19 provider—Termination—Department may adopt rules) and 2015 c 70 s 34  
20 & 2011 c 181 s 404;

21 (49) RCW 69.51A.110 (Suitability for organ transplant) and 2011 c  
22 181 s 408;

23 (50) RCW 69.51A.120 (Parental rights or residential time—Not to  
24 be restricted) and 2011 c 181 s 409;

25 (51) RCW 69.51A.130 (State and municipalities—Not subject to  
26 liability) and 2011 c 181 s 1101;

27 (52) RCW 69.51A.210 (Qualifying patients or designated providers—  
28 Authorization—Health care professional may include recommendations on  
29 amount of marijuana) and 2015 c 70 s 19;

30 (53) RCW 69.51A.220 (Health care professionals may authorize  
31 medical use of marijuana—Qualifying patients under age eighteen) and  
32 2015 c 70 s 20;

33 (54) RCW 69.51A.230 (Medical marijuana authorization database—  
34 Recognition cards) and 2015 c 70 s 21;

35 (55) RCW 69.51A.240 (Unlawful actions—Criminal penalty) and 2015  
36 c 70 s 23;

37 (56) RCW 69.51A.250 (Cooperatives—Qualifying patients or  
38 designated providers may form—Requirements—Restrictions on locations

1 —State liquor and cannabis board may adopt rules) and 2016 c 170 s 2,  
2 2015 2nd sp.s. c 4 s 1001, & 2015 c 70 s 26;

3 (57) RCW 69.51A.260 (Housing unit—No more than fifteen plants may  
4 be grown or located—Exception—Civil penalties) and 2015 c 70 s 27;

5 (58) RCW 69.51A.270 (Extracting or separating marijuana resin,  
6 producing or processing any form of marijuana concentrates or  
7 marijuana-infused products—State liquor and cannabis board to adopt  
8 rules) and 2015 c 70 s 28;

9 (59) RCW 69.51A.280 (Topical, ingestible products—THC  
10 concentration) and 2015 c 70 s 35;

11 (60) RCW 69.51A.290 (Medical marijuana consultant certificate)  
12 and 2015 c 70 s 37;

13 (61) RCW 69.51A.300 (Continuing education programs for health  
14 care providers) and 2015 c 70 s 38;

15 (62) RCW 69.51A.900 (Short title—1999 c 2) and 2011 c 181 s 1106  
16 & 1999 c 2 s 1;

17 (63) RCW 15.120.010 (Definitions) and 2016 sp.s. c 11 s 2;

18 (64) RCW 42.56.620 (Marijuana research licensee reports) and 2015  
19 2nd sp.s. c 4 s 1504 & 2015 c 71 s 4;

20 (65) RCW 42.56.625 (Medical marijuana authorization database) and  
21 2015 c 70 s 22;

22 (66) RCW 42.56.630 (Registration information of members of  
23 cooperatives to produce and process medical marijuana) and 2015 2nd  
24 sp.s. c 4 s 1002;

25 (67) RCW 43.06.490 (Marijuana agreements—Federally recognized  
26 Indian tribes—Tribal marijuana tax—Tax exemption) and 2015 c 207 s  
27 2;

28 (68) RCW 82.04.756 (Exemptions—Marijuana cooperatives) and 2015 c  
29 70 s 40;

30 (69) RCW 82.08.9997 (Exemptions—Retail sale of marijuana, useable  
31 marijuana, marijuana concentrates, and marijuana-infused products  
32 covered by marijuana agreement between state and tribe) and 2015 c  
33 207 s 4;

34 (70) RCW 82.08.9998 (Exemptions—Marijuana concentrates, useable  
35 marijuana, or marijuana-infused products beneficial for medical use—  
36 Products containing THC) and 2015 2nd sp.s. c 4 s 207;

37 (71) RCW 82.12.9997 (Exemptions—Marijuana, useable marijuana,  
38 marijuana concentrates, and marijuana-infused products covered by  
39 marijuana agreement between state and tribe) and 2015 c 207 s 5;



1 (72) RCW 82.12.9998 (Exemptions—Marijuana concentrates, useable  
2 marijuana, or marijuana-infused products beneficial for medical use—  
3 Products containing THC) and 2015 2nd sp.s. c 4 s 208;  
4 (73) RCW 84.34.410 (Application—Marijuana land uses) and 2014 c  
5 140 s 27;  
6 (74) 2016 c 199 s 1;  
7 (75) 2014 c 140 s 1;  
8 (76) 2014 c 140 s 2;  
9 (77) 2014 c 140 s 8;  
10 (78) 2014 c 140 s 10;  
11 (79) 2014 c 140 s 15;  
12 (80) 2014 c 140 s 16;  
13 (81) 2014 c 140 s 17;  
14 (82) 2014 c 140 s 18;  
15 (83) 2014 c 140 s 19;  
16 (84) 2014 c 140 s 20;  
17 (85) 2014 c 140 s 21;  
18 (86) 2014 c 140 s 22;  
19 (87) 2014 c 140 s 23;  
20 (88) 2014 c 140 s 24;  
21 (89) 2014 c 140 s 25;  
22 (90) 2014 c 140 s 29;  
23 (91) 2014 c 140 s 30;  
24 (92) 2014 c 140 s 31;  
25 (93) 2014 c 140 s 32;  
26 (94) 2014 c 140 s 33;  
27 (95) 2014 c 140 s 34;  
28 (96) 2014 c 140 s 35;  
29 (97) 2015 2nd sp.s. c 4 s 1502;  
30 (98) 2015 c 71 s 2;  
31 (99) 2014 c 192 s 6;  
32 (100) 2016 c 178 s 1;  
33 (101) 2016 sp.s. c 9 s 3;  
34 (102) 2015 c 70 s 3;  
35 (103) 2015 c 70 s 39;  
36 (104) 2013 c 3 s 2;  
37 (105) 2013 c 3 s 22;  
38 (106) 2013 c 3 s 23;  
39 (107) 2013 c 3 s 24;

1 (108) 2013 c 3 s 25;  
2 (109) 2013 c 3 s 1 (uncodified);  
3 (110) 2014 c 140 s 40 (uncodified);  
4 (111) 2014 c 140 s 41 (uncodified); and  
5 (112) 2014 c 140 s 42 (uncodified).

6 NEW SECTION. **Sec. 17.** Section 10 of this act expires January 1,  
7 2019.

8 NEW SECTION. **Sec. 18.** Section 11 of this act expires January 1,  
9 2022.

10 NEW SECTION. **Sec. 19.** Section 11 of this act takes effect  
11 January 1, 2019.

12 NEW SECTION. **Sec. 20.** Section 12 of this act takes effect  
13 January 1, 2022.

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