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SENATE BILL 5264

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State of Washington

65th Legislature

2017 Regular Session

By Senators Rivers and Conway

Read first time 01/18/17. Referred to Committee on Commerce, Labor & Sports.

1 AN ACT Relating to virtual currency; reenacting and amending RCW  
2 69.50.101; and adding a new section to chapter 69.50 RCW.

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

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

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

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

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

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

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

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

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

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

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

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

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

17 (2) The term does not include:

18 (i) a controlled substance;

19 (ii) a substance for which there is an approved new drug  
20 application;

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

26 (iv) any substance to the extent not intended for human  
27 consumption before an exemption takes effect with respect to the  
28 substance.

29 (g) "Deliver" or "delivery(( $\tau$ ))" means the actual or constructive  
30 transfer from one person to another of a substance, whether or not  
31 there is an agency relationship.

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

33 (i) "Designated provider" has the meaning provided in RCW  
34 69.51A.010.

35 (j) "Dispense" means the interpretation of a prescription or  
36 order for a controlled substance and, pursuant to that prescription  
37 or order, the proper selection, measuring, compounding, labeling, or  
38 packaging necessary to prepare that prescription or order for  
39 delivery.

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

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

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

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

15 (o) "Drug enforcement administration" means the drug enforcement  
16 administration in the United States Department of Justice, or its  
17 successor agency.

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

23 (q) "Immediate precursor" means a substance:

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

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

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

31 (r) "Isomer" means an optical isomer, but in subsection (dd)(5)  
32 of this section, RCW 69.50.204(a) (12) and (34), and 69.50.206(b)(4),  
33 the term includes any geometrical isomer; in RCW 69.50.204(a) (8) and  
34 (42), and 69.50.210(c) the term includes any positional isomer; and  
35 in RCW 69.50.204(a)(35), 69.50.204(c), and 69.50.208(a) the term  
36 includes any positional or geometric isomer.

37 (s) "Lot" means a definite quantity of marijuana, marijuana  
38 concentrates, useable marijuana, or marijuana-infused product  
39 identified by a lot number, every portion or package of which is

1 uniform within recognized tolerances for the factors that appear in  
2 the labeling.

3 (t) "Lot number" must identify the licensee by business or trade  
4 name and Washington state unified business identifier number, and the  
5 date of harvest or processing for each lot of marijuana, marijuana  
6 concentrates, useable marijuana, or marijuana-infused product.

7 (u) "Manufacture" means the production, preparation, propagation,  
8 compounding, conversion, or processing of a controlled substance,  
9 either directly or indirectly or by extraction from substances of  
10 natural origin, or independently by means of chemical synthesis, or  
11 by a combination of extraction and chemical synthesis, and includes  
12 any packaging or repackaging of the substance or labeling or  
13 relabeling of its container. The term does not include the  
14 preparation, compounding, packaging, repackaging, labeling, or  
15 relabeling of a controlled substance:

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

19 (2) by a practitioner, or by the practitioner's authorized agent  
20 under the practitioner's supervision, for the purpose of, or as an  
21 incident to, research, teaching, or chemical analysis and not for  
22 sale.

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

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

37 (x) "Marijuana processor" means a person licensed by the state  
38 liquor and cannabis board to process marijuana into marijuana  
39 concentrates, useable marijuana, and marijuana-infused products,  
40 package and label marijuana concentrates, useable marijuana, and

1 marijuana-infused products for sale in retail outlets, and sell  
2 marijuana concentrates, useable marijuana, and marijuana-infused  
3 products at wholesale to marijuana retailers.

4 (y) "Marijuana producer" means a person licensed by the state  
5 liquor and cannabis board to produce and sell marijuana at wholesale  
6 to marijuana processors and other marijuana producers.

7 (z) "Marijuana products" means useable marijuana, marijuana  
8 concentrates, and marijuana-infused products as defined in this  
9 section.

10 (aa) "Marijuana researcher" means a person licensed by the state  
11 liquor and cannabis board to produce, process, and possess marijuana  
12 for the purposes of conducting research on marijuana and marijuana-  
13 derived drug products.

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

17 (cc) "Marijuana-infused products" means products that contain  
18 marijuana or marijuana extracts, are intended for human use, are  
19 derived from marijuana as defined in subsection (v) of this section,  
20 and have a THC concentration no greater than ten percent. The term  
21 "marijuana-infused products" does not include either useable  
22 marijuana or marijuana concentrates.

23 (dd) "Narcotic drug" means any of the following, whether produced  
24 directly or indirectly by extraction from substances of vegetable  
25 origin, or independently by means of chemical synthesis, or by a  
26 combination of extraction and chemical synthesis:

27 (1) Opium, opium derivative, and any derivative of opium or opium  
28 derivative, including their salts, isomers, and salts of isomers,  
29 whenever the existence of the salts, isomers, and salts of isomers is  
30 possible within the specific chemical designation. The term does not  
31 include the isoquinoline alkaloids of opium.

32 (2) Synthetic opiate and any derivative of synthetic opiate,  
33 including their isomers, esters, ethers, salts, and salts of isomers,  
34 esters, and ethers, whenever the existence of the isomers, esters,  
35 ethers, and salts is possible within the specific chemical  
36 designation.

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

38 (4) Coca leaves, except coca leaves and extracts of coca leaves  
39 from which cocaine, ecgonine, and derivatives or ecgonine or their  
40 salts have been removed.

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

2 (6) Cocaine base.

3 (7) Ecgonine, or any derivative, salt, isomer, or salt of isomer  
4 thereof.

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

7 (ee) "Opiate" means any substance having an addiction-forming or  
8 addiction-sustaining liability similar to morphine or being capable  
9 of conversion into a drug having addiction-forming or addiction-  
10 sustaining liability. The term includes opium, substances derived  
11 from opium (opium derivatives), and synthetic opiates. The term does  
12 not include, unless specifically designated as controlled under RCW  
13 69.50.201, the dextrorotatory isomer of 3-methoxy-n-methylmorphinan  
14 and its salts (dextromethorphan). The term includes the racemic and  
15 levorotatory forms of dextromethorphan.

16 (ff) "Opium poppy" means the plant of the species *Papaver*  
17 *somniferum* L., except its seeds.

18 (gg) "Person" means individual, corporation, business trust,  
19 estate, trust, partnership, association, joint venture, government,  
20 governmental subdivision or agency, or any other legal or commercial  
21 entity.

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

23 (ii) "Poppy straw" means all parts, except the seeds, of the  
24 opium poppy, after mowing.

25 (jj) "Practitioner" means:

26 (1) A physician under chapter 18.71 RCW; a physician assistant  
27 under chapter 18.71A RCW; an osteopathic physician and surgeon under  
28 chapter 18.57 RCW; an osteopathic physician assistant under chapter  
29 18.57A RCW who is licensed under RCW 18.57A.020 subject to any  
30 limitations in RCW 18.57A.040; an optometrist licensed under chapter  
31 18.53 RCW who is certified by the optometry board under RCW 18.53.010  
32 subject to any limitations in RCW 18.53.010; a dentist under chapter  
33 18.32 RCW; a podiatric physician and surgeon under chapter 18.22 RCW;  
34 a veterinarian under chapter 18.92 RCW; a registered nurse, advanced  
35 registered nurse practitioner, or licensed practical nurse under  
36 chapter 18.79 RCW; a naturopathic physician under chapter 18.36A RCW  
37 who is licensed under RCW 18.36A.030 subject to any limitations in  
38 RCW 18.36A.040; a pharmacist under chapter 18.64 RCW or a scientific  
39 investigator under this chapter, licensed, registered or otherwise  
40 permitted insofar as is consistent with those licensing laws to

1 distribute, dispense, conduct research with respect to or administer  
2 a controlled substance in the course of their professional practice  
3 or research in this state.

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

8 (3) A physician licensed to practice medicine and surgery, a  
9 physician licensed to practice osteopathic medicine and surgery, a  
10 dentist licensed to practice dentistry, a podiatric physician and  
11 surgeon licensed to practice podiatric medicine and surgery, a  
12 licensed physician assistant or a licensed osteopathic physician  
13 assistant specifically approved to prescribe controlled substances by  
14 his or her state's medical quality assurance commission or equivalent  
15 and his or her supervising physician, an advanced registered nurse  
16 practitioner licensed to prescribe controlled substances, or a  
17 veterinarian licensed to practice veterinary medicine in any state of  
18 the United States.

19 (kk) "Prescription" means an order for controlled substances  
20 issued by a practitioner duly authorized by law or rule in the state  
21 of Washington to prescribe controlled substances within the scope of  
22 his or her professional practice for a legitimate medical purpose.

23 (ll) "Production" includes the manufacturing, planting,  
24 cultivating, growing, or harvesting of a controlled substance.

25 (mm) "Qualifying patient" has the meaning provided in RCW  
26 69.51A.010.

27 (nn) "Recognition card" has the meaning provided in RCW  
28 69.51A.010.

29 (oo) "Retail outlet" means a location licensed by the state  
30 liquor and cannabis board for the retail sale of marijuana  
31 concentrates, useable marijuana, and marijuana-infused products.

32 (pp) "Secretary" means the secretary of health or the secretary's  
33 designee.

34 (qq) "State," unless the context otherwise requires, means a  
35 state of the United States, the District of Columbia, the  
36 Commonwealth of Puerto Rico, or a territory or insular possession  
37 subject to the jurisdiction of the United States.

38 (rr) "THC concentration" means percent of delta-9  
39 tetrahydrocannabinol content per dry weight of any part of the plant  
40 *Cannabis*, or per volume or weight of marijuana product, or the

1 combined percent of delta-9 tetrahydrocannabinol and  
2 tetrahydrocannabinolic acid in any part of the plant *Cannabis*  
3 regardless of moisture content.

4 (ss) "Ultimate user" means an individual who lawfully possesses a  
5 controlled substance for the individual's own use or for the use of a  
6 member of the individual's household or for administering to an  
7 animal owned by the individual or by a member of the individual's  
8 household.

9 (tt) "Useable marijuana" means dried marijuana flowers. The term  
10 "useable marijuana" does not include either marijuana-infused  
11 products or marijuana concentrates.

12 (uu) "Virtual currency" means a digital representation of value  
13 used as a medium of exchange, a unit of account, or a store of value,  
14 but does not have legal tender status as recognized by the United  
15 States government. "Virtual currency" does not include the software  
16 or protocols governing the transfer of the digital representation of  
17 value or other uses of virtual distributed ledger systems to verify  
18 ownership or authenticity in a digital capacity when the virtual  
19 currency is not used as a medium of exchange.

20 NEW SECTION. Sec. 2. A new section is added to chapter 69.50  
21 RCW to read as follows:

22 A marijuana producer, marijuana processor, or retail outlet must  
23 not pay with or accept virtual currency for the purchase or sale of  
24 marijuana or any marijuana product.

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