
SENATE BILL 5284

State of Washington

65th Legislature

2017 Regular Session

By Senators Carlyle and Rivers

Read first time 01/19/17. Referred to Committee on Commerce, Labor & Sports.

1 AN ACT Relating to the oversight and regulation of marijuana;
2 amending RCW 69.50.325, 69.50.331, 69.50.339, 69.50.348, 69.50.351,
3 69.50.357, 69.50.363, 69.50.366, 69.50.369, 69.50.372, 69.50.500,
4 69.50.580, 66.08.100, and 9.94A.832; adding a new section to chapter
5 69.50 RCW; creating new sections; and prescribing penalties.

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

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

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

1 person to use the license. The application fee for a marijuana
2 producer's license shall be two hundred fifty dollars. The annual fee
3 for issuance and renewal of a marijuana producer's license shall be
4 one thousand dollars. A separate license shall be required for each
5 location at which a marijuana producer intends to produce marijuana.

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

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

1 The application fee for a marijuana retailer's license shall be two
2 hundred fifty dollars. The annual fee for issuance and renewal of a
3 marijuana retailer's license shall be one thousand dollars. A
4 separate license shall be required for each location at which a
5 marijuana retailer intends to sell marijuana concentrates, useable
6 marijuana, and marijuana-infused products.

7 **Sec. 2.** RCW 69.50.331 and 2015 2nd sp.s. c 4 s 301 are each
8 amended to read as follows:

9 (1) For the purpose of considering any application for a license
10 to produce, process, research, transport, or deliver marijuana,
11 useable marijuana, marijuana concentrates, or marijuana-infused
12 products subject to the regulations established under RCW 69.50.385,
13 or sell marijuana, or for the renewal of a license to produce,
14 process, research, transport, or deliver marijuana, useable
15 marijuana, marijuana concentrates, or marijuana-infused products
16 subject to the regulations established under RCW 69.50.385, or sell
17 marijuana, the state liquor and cannabis board must conduct a
18 comprehensive, fair, and impartial evaluation of the applications
19 timely received.

20 (a) ~~((The state liquor and cannabis board must develop a~~
21 ~~competitive, merit-based application process that includes, at a~~
22 ~~minimum, the opportunity for an applicant to demonstrate experience~~
23 ~~and qualifications in the marijuana industry. The state liquor and~~
24 ~~cannabis board must give preference between competing applications in~~
25 ~~the licensing process to applicants that have the following~~
26 ~~experience and qualifications, in the following order of priority:~~

27 ~~(i) First priority is given to applicants who:~~

28 ~~(A) Applied to the state liquor and cannabis board for a~~
29 ~~marijuana retailer license prior to July 1, 2014;~~

30 ~~(B) Operated or were employed by a collective garden before~~
31 ~~January 1, 2013;~~

32 ~~(C) Have maintained a state business license and a municipal~~
33 ~~business license, as applicable in the relevant jurisdiction; and~~

34 ~~(D) Have had a history of paying all applicable state taxes and~~
35 ~~fees;~~

36 ~~(ii) Second priority must be given to applicants who:~~

37 ~~(A) Operated or were employed by a collective garden before~~
38 ~~January 1, 2013;~~

1 ~~(B) Have maintained a state business license and a municipal~~
2 ~~business license, as applicable in the relevant jurisdiction; and~~

3 ~~(C) Have had a history of paying all applicable state taxes and~~
4 ~~fees; and~~

5 ~~(iii) Third priority must be given to all other applicants who do~~
6 ~~not have the experience and qualifications identified in (a)(i) and~~
7 ~~(ii) of this subsection.~~

8 ~~(b))~~) The state liquor and cannabis board may cause an inspection
9 of the premises to be made, and may inquire into all matters in
10 connection with the construction and operation of the premises. For
11 the purpose of reviewing any application for a license and for
12 considering the denial, suspension, revocation, or renewal or denial
13 thereof, of any license, the state liquor and cannabis board may
14 consider any prior criminal conduct of the applicant including an
15 administrative violation history record with the state liquor and
16 cannabis board and a criminal history record information check. The
17 state liquor and cannabis board may submit the criminal history
18 record information check to the Washington state patrol and to the
19 identification division of the federal bureau of investigation in
20 order that these agencies may search their records for prior arrests
21 and convictions of the individual or individuals who filled out the
22 forms. The state liquor and cannabis board must require
23 fingerprinting of any applicant whose criminal history record
24 information check is submitted to the federal bureau of
25 investigation. The provisions of RCW 9.95.240 and of chapter 9.96A
26 RCW do not apply to these cases. Subject to the provisions of this
27 section, the state liquor and cannabis board may, in its discretion,
28 grant or deny the renewal or license applied for. Denial may be based
29 on, without limitation, the existence of chronic illegal activity
30 documented in objections submitted pursuant to subsections (7)(c) and
31 (10) of this section. Authority to approve an uncontested or
32 unopposed license may be granted by the state liquor and cannabis
33 board to any staff member the board designates in writing. Conditions
34 for granting this authority must be adopted by rule.

35 ~~((e))~~) (b) No license of any kind may be issued to:

36 (i) A person under the age of twenty-one years;

37 (ii) A person doing business as a sole proprietor who has not
38 lawfully resided in the state for at least six months prior to
39 applying to receive a license;

1 (iii) A (~~partnership, employee cooperative, association,~~
2 ~~nonprofit corporation, or corporation~~) business entity or nonprofit
3 entity, unless formed under the laws of this state, (~~and unless all~~
4 ~~of the members thereof are qualified to obtain a license as provided~~
5 ~~in this section~~) or holding a certificate of registration under
6 chapter 23.95 RCW, and provided that:

7 (A) More than fifty percent of the interest in the entity is held
8 by one or more interest holders who lawfully reside in the state; and

9 (B) All interest holders who are not state residents are resident
10 citizens of the United States; or

11 (iv) A person whose place of business is conducted by a manager
12 or agent, unless the manager or agent possesses the same
13 qualifications required of the licensee.

14 (c) The state liquor and cannabis board has discretionary
15 authority to deny a license or license renewal to an entity if the
16 state liquor and cannabis board is unable to investigate a
17 nonresident interest holder in the entity in accordance with the
18 investigatory standards applicable to the investigation of a state
19 resident.

20 (2)(a) The state liquor and cannabis board may, in its
21 discretion, subject to the provisions of RCW 69.50.334, suspend or
22 cancel any license; and all protections of the licensee from criminal
23 or civil sanctions under state law for producing, processing,
24 researching, or selling marijuana, marijuana concentrates, useable
25 marijuana, or marijuana-infused products thereunder must be suspended
26 or terminated, as the case may be.

27 (b) The state liquor and cannabis board must immediately suspend
28 the license of a person who has been certified pursuant to RCW
29 74.20A.320 by the department of social and health services as a
30 person who is not in compliance with a support order. If the person
31 has continued to meet all other requirements for reinstatement during
32 the suspension, reissuance of the license is automatic upon the state
33 liquor and cannabis board's receipt of a release issued by the
34 department of social and health services stating that the licensee is
35 in compliance with the order.

36 (c) The state liquor and cannabis board may request the
37 appointment of administrative law judges under chapter 34.12 RCW who
38 shall have power to administer oaths, issue subpoenas for the
39 attendance of witnesses and the production of papers, books,
40 accounts, documents, and testimony, examine witnesses, and to receive

1 testimony in any inquiry, investigation, hearing, or proceeding in
2 any part of the state, under rules and regulations the state liquor
3 and cannabis board may adopt.

4 (d) Witnesses must be allowed fees and mileage each way to and
5 from any inquiry, investigation, hearing, or proceeding at the rate
6 authorized by RCW 34.05.446. Fees need not be paid in advance of
7 appearance of witnesses to testify or to produce books, records, or
8 other legal evidence.

9 (e) In case of disobedience of any person to comply with the
10 order of the state liquor and cannabis board or a subpoena issued by
11 the state liquor and cannabis board, or any of its members, or
12 administrative law judges, or on the refusal of a witness to testify
13 to any matter regarding which he or she may be lawfully interrogated,
14 the judge of the superior court of the county in which the person
15 resides, on application of any member of the board or administrative
16 law judge, compels obedience by contempt proceedings, as in the case
17 of disobedience of the requirements of a subpoena issued from said
18 court or a refusal to testify therein.

19 (3) Upon receipt of notice of the suspension or cancellation of a
20 license, the licensee must forthwith deliver up the license to the
21 state liquor and cannabis board. Where the license has been suspended
22 only, the state liquor and cannabis board must return the license to
23 the licensee at the expiration or termination of the period of
24 suspension. The state liquor and cannabis board must notify all other
25 licensees in the county where the subject licensee has its premises
26 of the suspension or cancellation of the license; and no other
27 licensee or employee of another licensee may allow or cause any
28 marijuana, marijuana concentrates, useable marijuana, or marijuana-
29 infused products to be delivered to or for any person at the premises
30 of the subject licensee.

31 (4) Every license issued under this chapter is subject to all
32 conditions and restrictions imposed by this chapter or by rules
33 adopted by the state liquor and cannabis board to implement and
34 enforce this chapter. All conditions and restrictions imposed by the
35 state liquor and cannabis board in the issuance of an individual
36 license must be listed on the face of the individual license along
37 with the trade name, address, and expiration date.

38 (5) Every licensee must post and keep posted its license, or
39 licenses, in a conspicuous place on the premises.

1 (6) No licensee may employ any person under the age of twenty-one
2 years.

3 (7)(a) Before the state liquor and cannabis board issues a new or
4 renewed license to an applicant it must give notice of the
5 application to the chief executive officer of the incorporated city
6 or town, if the application is for a license within an incorporated
7 city or town, or to the county legislative authority, if the
8 application is for a license outside the boundaries of incorporated
9 cities or towns, or to the tribal government if the application is
10 for a license within Indian country under the jurisdiction of a
11 federally recognized Indian tribe, or to the port authority if the
12 application for a license is located on property owned by a port
13 authority.

14 (b) The incorporated city or town through the official or
15 employee selected by it, ~~((or))~~ the county legislative authority or
16 the official or employee selected by it, the tribal government, or
17 port authority has the right to file with the state liquor and
18 cannabis board within twenty days after the date of transmittal of
19 the notice for applications, or at least thirty days prior to the
20 expiration date for renewals, written objections against the
21 applicant or against the premises for which the new or renewed
22 license is asked. The state liquor and cannabis board may extend the
23 time period for submitting written objections upon request from the
24 authority notified by the state liquor and cannabis board.

25 (c) The written objections must include a statement of all facts
26 upon which the objections are based, and in case written objections
27 are filed, the city or town or county legislative authority may
28 request, and the state liquor and cannabis board may in its
29 discretion hold, a hearing subject to the applicable provisions of
30 Title 34 RCW. If the state liquor and cannabis board makes an initial
31 decision to deny a license or renewal based on the written objections
32 of an incorporated city or town or county legislative authority, the
33 applicant may request a hearing subject to the applicable provisions
34 of Title 34 RCW. If a hearing is held at the request of the
35 applicant, state liquor and cannabis board representatives must
36 present and defend the state liquor and cannabis board's initial
37 decision to deny a license or renewal.

38 (d) Upon the granting of a license under this title the state
39 liquor and cannabis board must send written notification to the chief
40 executive officer of the incorporated city or town in which the

1 license is granted, or to the county legislative authority if the
2 license is granted outside the boundaries of incorporated cities or
3 towns.

4 (8)(a) Except as provided in (b) through (d) of this subsection,
5 the state liquor and cannabis board may not issue a license for any
6 premises within one thousand feet of the perimeter of the grounds of
7 any elementary or secondary school, playground, recreation center or
8 facility, child care center, public park, public transit center, or
9 library, or any game arcade admission to which is not restricted to
10 persons aged twenty-one years or older.

11 (b) A city, county, or town may permit the licensing of premises
12 within one thousand feet but not less than one hundred feet of the
13 facilities described in (a) of this subsection, except elementary
14 schools, secondary schools, and playgrounds, by enacting an ordinance
15 authorizing such distance reduction, provided that such distance
16 reduction will not negatively impact the jurisdiction's civil
17 regulatory enforcement, criminal law enforcement interests, public
18 safety, or public health.

19 (c) A city, county, or town may permit the licensing of research
20 premises allowed under RCW 69.50.372 within one thousand feet but not
21 less than one hundred feet of the facilities described in (a) of this
22 subsection by enacting an ordinance authorizing such distance
23 reduction, provided that the ordinance will not negatively impact the
24 jurisdiction's civil regulatory enforcement, criminal law
25 enforcement, public safety, or public health.

26 (d) The state liquor and cannabis board may license premises
27 located in compliance with the distance requirements set in an
28 ordinance adopted under (b) or (c) of this subsection. Before issuing
29 or renewing a research license for premises within one thousand feet
30 but not less than one hundred feet of an elementary school, secondary
31 school, or playground in compliance with an ordinance passed pursuant
32 to (c) of this subsection, the board must ensure that the facility:

33 (i) Meets a security standard exceeding that which applies to
34 marijuana producer, processor, or retailer licensees;

35 (ii) Is inaccessible to the public and no part of the operation
36 of the facility is in view of the general public; and

37 (iii) Bears no advertising or signage indicating that it is a
38 marijuana research facility.

39 (9) (~~Subject to section 1601 of this act,~~) A city, town, or
40 county may adopt an ordinance prohibiting a marijuana producer or

1 marijuana processor from operating or locating a business within
2 areas zoned primarily for residential use or rural use with a minimum
3 lot size of five acres or smaller.

4 (10) In determining whether to grant or deny a license or renewal
5 of any license, the state liquor and cannabis board must give
6 substantial weight to objections from an incorporated city or town or
7 county legislative authority based upon chronic illegal activity
8 associated with the applicant's operations of the premises proposed
9 to be licensed or the applicant's operation of any other licensed
10 premises, or the conduct of the applicant's patrons inside or outside
11 the licensed premises. "Chronic illegal activity" means (a) a
12 pervasive pattern of activity that threatens the public health,
13 safety, and welfare of the city, town, or county including, but not
14 limited to, open container violations, assaults, disturbances,
15 disorderly conduct, or other criminal law violations, or as
16 documented in crime statistics, police reports, emergency medical
17 response data, calls for service, field data, or similar records of a
18 law enforcement agency for the city, town, county, or any other
19 municipal corporation or any state agency; or (b) an unreasonably
20 high number of citations for violations of RCW 46.61.502 associated
21 with the applicant's or licensee's operation of any licensed premises
22 as indicated by the reported statements given to law enforcement upon
23 arrest.

24 **Sec. 3.** RCW 69.50.339 and 2013 c 3 s 8 are each amended to read
25 as follows:

26 (1) If the state liquor (~~((control))~~) and cannabis board approves,
27 a license to produce, process, or sell marijuana may be transferred,
28 without charge, to the surviving spouse or domestic partner of a
29 deceased licensee if the license was issued in the names of one or
30 both of the parties. For the purpose of considering the
31 qualifications of the surviving party to receive a marijuana
32 producer's, marijuana processor's, or marijuana retailer's license,
33 the state liquor (~~((control))~~) and cannabis board may require a
34 criminal history record information check. The state liquor
35 (~~((control))~~) and cannabis board may submit the criminal history record
36 information check to the Washington state patrol and to the
37 identification division of the federal bureau of investigation in
38 order that these agencies may search their records for prior arrests
39 and convictions of the individual or individuals who filled out the

1 forms. The state liquor (~~(control)~~) and cannabis board shall require
2 fingerprinting of any applicant whose criminal history record
3 information check is submitted to the federal bureau of
4 investigation.

5 (2) The proposed sale of more than ten percent of the outstanding
6 or issued stock of a corporation licensed under chapter 3, Laws of
7 2013, or any proposed change in the officers of such a corporation,
8 must be reported to the state liquor (~~(control)~~) and cannabis board,
9 and state liquor (~~(control)~~) and cannabis board approval must be
10 obtained before the changes are made. A fee of seventy-five dollars
11 will be charged for the processing of the change of stock ownership
12 or corporate officers.

13 **Sec. 4.** RCW 69.50.348 and 2013 c 3 s 11 are each amended to read
14 as follows:

15 (1) On a schedule determined by the state liquor (~~(control)~~) and
16 cannabis board, every licensed marijuana producer and processor must
17 submit representative samples of marijuana, useable marijuana, or
18 marijuana-infused products produced or processed by the licensee to
19 an independent, third-party testing laboratory meeting the
20 accreditation requirements established by the state liquor
21 (~~(control)~~) and cannabis board, for inspection and testing to certify
22 compliance with standards adopted by the state liquor (~~(control)~~) and
23 cannabis board. Any sample remaining after testing shall be destroyed
24 by the laboratory or returned to the licensee.

25 (2) Licensees must submit the results of this inspection and
26 testing to the state liquor (~~(control)~~) and cannabis board on a form
27 developed by the state liquor (~~(control)~~) and cannabis board.

28 (3) If a representative sample inspected and tested under this
29 section does not meet the applicable standards adopted by the state
30 liquor (~~(control)~~) and cannabis board, the entire lot from which the
31 sample was taken must be destroyed.

32 **Sec. 5.** RCW 69.50.351 and 2013 c 3 s 12 are each amended to read
33 as follows:

34 Except as provided by chapter 42.52 RCW, no member of the state
35 liquor (~~(control)~~) and cannabis board and no employee of the state
36 liquor (~~(control)~~) and cannabis board shall have any interest,
37 directly or indirectly, in the producing, processing, or sale of
38 marijuana, useable marijuana, or marijuana-infused products, or

1 derive any profit or remuneration from the sale of marijuana, useable
2 marijuana, or marijuana-infused products other than the salary or
3 wages payable to him or her in respect of his or her office or
4 position, and shall receive no gratuity from any person in connection
5 with the business.

6 **Sec. 6.** RCW 69.50.357 and 2016 c 171 s 1 are each amended to
7 read as follows:

8 (1) Retail outlets may not sell products or services other than
9 marijuana concentrates, useable marijuana, marijuana-infused
10 products, or paraphernalia intended for the storage or use of
11 marijuana concentrates, useable marijuana, or marijuana-infused
12 products.

13 (2) Licensed marijuana retailers may not employ persons under
14 twenty-one years of age or allow persons under twenty-one years of
15 age to enter or remain on the premises of a retail outlet. However,
16 qualifying patients between eighteen and twenty-one years of age with
17 a recognition card may enter and remain on the premises of a retail
18 outlet holding a medical marijuana endorsement and may purchase
19 products for their personal medical use. Qualifying patients who are
20 under the age of eighteen with a recognition card and who accompany
21 their designated providers may enter and remain on the premises of a
22 retail outlet holding a medical marijuana endorsement, but may not
23 purchase products for their personal medical use.

24 (3)(a) Licensed marijuana retailers must ensure that all
25 employees are trained on the rules adopted to implement this chapter,
26 identification of persons under the age of twenty-one, and other
27 requirements adopted by the state liquor and cannabis board to ensure
28 that persons under the age of twenty-one are not permitted to enter
29 or remain on the premises of a retail outlet.

30 (b) Licensed marijuana retailers with a medical marijuana
31 endorsement must ensure that all employees are trained on the
32 subjects required by (a) of this subsection as well as identification
33 of authorizations and recognition cards. Employees must also be
34 trained to permit qualifying patients who hold recognition cards and
35 are between the ages of eighteen and twenty-one to enter the premises
36 and purchase marijuana for their personal medical use and to permit
37 qualifying patients who are under the age of eighteen with a
38 recognition card to enter the premises if accompanied by their
39 designated providers.

1 (4) (~~Licensed marijuana retailers may not display any signage~~
2 ~~outside of the licensed premises, other than two signs identifying~~
3 ~~the retail outlet by the licensee's business or trade name. Each sign~~
4 ~~must be no larger than one thousand six hundred square inches, be~~
5 ~~permanently affixed to a building or other structure, and be posted~~
6 ~~not less than one thousand feet from any elementary school, secondary~~
7 ~~school, or playground.~~

8 (5)) Except for the purposes of disposal as authorized by the
9 state liquor and cannabis board, no licensed marijuana retailer or
10 employee of a retail outlet may open or consume, or allow to be
11 opened or consumed, any marijuana concentrates, useable marijuana, or
12 marijuana-infused product on the outlet premises.

13 (~~(6))~~ (5) The state liquor and cannabis board must fine a
14 licensee one thousand dollars for each violation of any subsection of
15 this section. Fines collected under this section must be deposited
16 into the dedicated marijuana account created under RCW 69.50.530.

17 **Sec. 7.** RCW 69.50.363 and 2015 c 207 s 7 are each amended to
18 read as follows:

19 The following acts, when performed by a validly licensed
20 marijuana processor or employee of a validly licensed marijuana
21 processor in compliance with rules adopted by the state liquor
22 (~~control~~) and cannabis board to implement and enforce chapter 3,
23 Laws of 2013, do not constitute criminal or civil offenses under
24 Washington state law:

25 (1) Purchase and receipt of marijuana that has been properly
26 packaged and labeled from a marijuana producer validly licensed under
27 chapter 3, Laws of 2013;

28 (2) Possession, processing, packaging, and labeling of quantities
29 of marijuana, useable marijuana, and marijuana-infused products that
30 do not exceed the maximum amounts established by the state liquor
31 (~~control~~) and cannabis board under RCW 69.50.345(4);

32 (3) Delivery, distribution, and sale of useable marijuana or
33 marijuana-infused products to a marijuana retailer validly licensed
34 under chapter 3, Laws of 2013; and

35 (4) Delivery, distribution, and sale of useable marijuana,
36 marijuana concentrates, or marijuana-infused products to a federally
37 recognized Indian tribe as permitted under an agreement between the
38 state and the tribe entered into under RCW 43.06.490.

1 **Sec. 8.** RCW 69.50.366 and 2015 c 207 s 8 are each amended to
2 read as follows:

3 The following acts, when performed by a validly licensed
4 marijuana producer or employee of a validly licensed marijuana
5 producer in compliance with rules adopted by the state liquor
6 (~~control~~) and cannabis board to implement and enforce chapter 3,
7 Laws of 2013, do not constitute criminal or civil offenses under
8 Washington state law:

9 (1) Production or possession of quantities of marijuana that do
10 not exceed the maximum amounts established by the state liquor
11 (~~control~~) and cannabis board under RCW 69.50.345(3);

12 (2) Delivery, distribution, and sale of marijuana to a marijuana
13 processor or another marijuana producer validly licensed under
14 chapter 3, Laws of 2013; and

15 (3) Delivery, distribution, and sale of marijuana or useable
16 marijuana to a federally recognized Indian tribe as permitted under
17 an agreement between the state and the tribe entered into under RCW
18 43.06.490.

19 NEW SECTION. **Sec. 9.** The legislature finds that protecting the
20 state's children, youth, and young adults under the legal age to
21 purchase and consume marijuana, by establishing limited restrictions
22 on the advertising of marijuana and marijuana products, is necessary
23 to assist the state's efforts to discourage and prevent underage
24 consumption and the potential risks associated with underage
25 consumption. The legislature finds that these restrictions assist the
26 state in maintaining a strong and effective regulatory and
27 enforcement system as specified by the federal government. The
28 legislature finds this act leaves ample opportunities for licensed
29 marijuana businesses to market their products to those who are of
30 legal age to purchase them, without infringing on the free speech
31 rights of business owners. Finally, the legislature finds that the
32 state has a substantial and compelling interest in enacting this act
33 aimed at protecting Washington's children, youth, and young adults.

34 **Sec. 10.** RCW 69.50.369 and 2015 2nd sp.s. c 4 s 204 are each
35 amended to read as follows:

36 (1) No licensed marijuana producer, processor, researcher, or
37 retailer may place or maintain, or cause to be placed or maintained,
38 an advertisement of marijuana, useable marijuana, marijuana

1 concentrates, or a marijuana-infused product in any form or through
2 any medium whatsoever((÷

3 ~~(a)) within one thousand feet of the perimeter of a school~~
4 ~~grounds, playground, recreation center or facility, child care~~
5 ~~center, public park, or library, or any game arcade admission to~~
6 ~~which is not restricted to persons aged twenty-one years or older((÷~~

7 ~~(b) On or in a public transit vehicle or public transit shelter;~~
8 ~~or~~

9 ~~(c) On or in a publicly owned or operated property)).~~

10 (2) No marijuana licensee may:

11 (a) Take any action, directly or indirectly, to target youth in
12 the advertising, promotion, or marketing of marijuana and marijuana
13 products, or take any action the primary purpose of which is to
14 initiate, maintain, or increase the incidence of youth use of
15 marijuana or marijuana products;

16 (b) Use objects such as toys, inflatables, characters, or cartoon
17 characters suggesting the presence of a child, or any other depiction
18 designed in any manner to be especially appealing to children or
19 other persons under legal age to consume marijuana; or

20 (c) Use or employ a commercial mascot outside of a licensed
21 marijuana business. A "commercial mascot" means live human being,
22 animal, or mechanical device used for the purpose of commercial
23 advertising, such as sign spinners, sign clowns, sandwich board signs
24 over a live human body, and persons dressed to appear or suggest as a
25 trademark or symbol of a commercial enterprise.

26 (3) No marijuana licensees may engage in outdoor advertising
27 except as specifically provided for in this section.

28 (a) Outdoor advertising is prohibited:

29 (i) On signs and placards in arenas, stadiums, shopping malls,
30 fairs that receive state allocations, farmers markets, and video game
31 arcades, whether any of the foregoing are open air or enclosed, but
32 not including any such sign or placard located in an adult only
33 facility;

34 (ii) On billboards that are visible from any street, road,
35 highway, right-of-way, or public parking area; or

36 (iii) On any other advertisements placed outdoors or on the
37 inside surface of a window facing outward that do not meet the
38 exclusionary provisions contained in (b) of this section.

39 (b) Outdoor advertising does not include:

1 (i) An individual advertisement that does not occupy an area
2 larger than one thousand six hundred square inches and that neither
3 is placed in such proximity to any other such advertisement so as to
4 create a single mosaic-type advertisement larger than one thousand
5 six hundred square inches, nor functions solely as a segment of a
6 larger advertising unit or series, and that is placed on the outside
7 of any licensed retail establishment that sells marijuana products,
8 outside but on the licensed premises of any such establishment, or on
9 the inside surface of a window facing outward in any such
10 establishment;

11 (ii) An advertisement inside a licensed retail establishment that
12 sells marijuana products that is not placed on the inside surface of
13 a window facing outward; or

14 (iii) An outdoor advertisement at the site of an event to be held
15 at an adult only facility that is placed at such site during the
16 period the facility or enclosed area constitutes an adult only
17 facility, but in no event more than fourteen days before the event,
18 and that does not advertise any marijuana product other than by using
19 a brand name to identify the event.

20 (4) No marijuana licensees may engage in transit advertisements.
21 "Transit advertisements" means advertising on or within private or
22 public vehicles and all advertisements placed at, on or within any
23 bus stop, taxi stand, transportation waiting area, train station,
24 airport, or any similar transit-related location.

25 (5) Merchandising within a retail outlet is not advertising for
26 the purposes of this section.

27 ~~((+3))~~ (6) This section does not apply to a noncommercial
28 message.

29 ~~((+4))~~ (7)(a) The state liquor and cannabis board must:

30 (i) Adopt rules implementing this section. The advertising rules
31 must be as restrictive as the state and federal laws regulating
32 cigarette advertising; and

33 (ii) Fine a licensee one thousand dollars for each violation of
34 ~~((subsection—(1)—of)) this section until the state liquor and~~
35 cannabis board adopts rules prescribing penalties for violations of
36 this section. The rules must establish escalating penalties including
37 finest and up to suspension or revocation of a marijuana license for
38 subsequent violations.

39 (b) Fines collected under this subsection must be deposited into
40 the dedicated marijuana account created under RCW 69.50.530.

1 (8) A city, town, or county may adopt rules of outdoor
2 advertising by licensed marijuana retailers that are more restrictive
3 than the advertising restrictions imposed under this chapter.
4 Enforcement of restrictions to advertising by a city, town, or county
5 is the responsibility of the city, town, or county.

6 **Sec. 11.** RCW 69.50.372 and 2016 sp.s. c 9 s 1 are each amended
7 to read as follows:

8 (1) A marijuana research license is established that permits a
9 licensee to produce, process, and possess marijuana for the following
10 limited research purposes:

11 (a) To test chemical potency and composition levels;

12 (b) To conduct clinical investigations of marijuana-derived drug
13 products;

14 (c) To conduct research on the efficacy and safety of
15 administering marijuana as part of medical treatment; and

16 (d) To conduct genomic or agricultural research.

17 (2) As part of the application process for a marijuana research
18 license, an applicant must submit to the liquor and cannabis board's
19 designated scientific reviewer a description of the research that is
20 intended to be conducted. The liquor and cannabis board must select a
21 scientific reviewer to review an applicant's research project and
22 determine that it meets the requirements of subsection (1) of this
23 section, as well as assess the following:

24 (a) Project quality, study design, value, or impact;

25 (b) Whether applicants have the appropriate personnel, expertise,
26 facilities/infrastructure, funding, and human/animal/other federal
27 approvals in place to successfully conduct the project; and

28 (c) Whether the amount of marijuana to be grown by the applicant
29 is consistent with the project's scope and goals.

30 If the scientific reviewer determines that the research project
31 does not meet the requirements of subsection (1) of this section, the
32 application must be denied.

33 (3) A marijuana research licensee may only sell marijuana grown
34 or within its operation to other marijuana research licensees. The
35 liquor and cannabis board may revoke a marijuana research license for
36 violations of this subsection.

37 (4) A marijuana research licensee may contract with the
38 University of Washington or Washington State University to perform
39 research in conjunction with the university. All research projects,

1 not including those projects conducted pursuant to a contract entered
2 into under RCW 28B.20.502(3), must be approved by the scientific
3 reviewer and meet the requirements of subsection (1) of this section.

4 (5) In establishing a marijuana research license, the liquor and
5 cannabis board may adopt rules on the following:

6 (a) Application requirements;

7 (b) Marijuana research license renewal requirements, including
8 whether additional research projects may be added or considered;

9 (c) Conditions for license revocation;

10 (d) Security measures to ensure marijuana is not diverted to
11 purposes other than research;

12 (e) Amount of plants, useable marijuana, marijuana concentrates,
13 or marijuana-infused products a licensee may have on its premises;

14 (f) Licensee reporting requirements;

15 (g) Conditions under which marijuana grown by licensed marijuana
16 producers and other product types from licensed marijuana processors
17 may be donated to marijuana research licensees; and

18 (h) Additional requirements deemed necessary by the liquor and
19 cannabis board.

20 (6) The production, processing, possession, delivery, donation,
21 and sale of marijuana in accordance with this section and the rules
22 adopted to implement and enforce it, by a validly licensed marijuana
23 researcher, shall not be a criminal or civil offense under Washington
24 state law. Every marijuana research license must be issued in the
25 name of the applicant, must specify the location at which the
26 marijuana researcher intends to operate, which must be within the
27 state of Washington, and the holder thereof may not allow any other
28 person to use the license.

29 (7) The application fee for a marijuana research license is two
30 hundred fifty dollars. The annual fee for issuance and renewal of a
31 marijuana research license is one thousand dollars. The applicant
32 must pay the cost of the review process directly to the scientific
33 reviewer as designated by the liquor and cannabis board.

34 (8) The scientific reviewer shall review any reports made by
35 marijuana research licensees under liquor and cannabis board rule and
36 provide the liquor and cannabis board with its determination on
37 whether the research project continues to meet research
38 qualifications under this section.

39 (9) For the purposes of this section, "scientific reviewer" means
40 an organization that convenes or contracts with persons who have the

1 training and experience in research practice and research methodology
2 to determine whether a project meets the criteria for a marijuana
3 research license under this section and to review any reports
4 submitted by marijuana research licensees under liquor and cannabis
5 board rule. "Scientific reviewers" include, but are not limited to,
6 educational institutions, research institutions, peer review bodies,
7 or such other organizations that are focused on science or research
8 in its day-to-day activities.

9 **Sec. 12.** RCW 69.50.500 and 2013 c 3 s 24 are each amended to
10 read as follows:

11 (a) It is hereby made the duty of the (~~state board of pharmacy~~)
12 commission, the department, the state liquor (~~control~~) and cannabis
13 board, and their officers, agents, inspectors and representatives,
14 and all law enforcement officers within the state, and of all
15 prosecuting attorneys, to enforce all provisions of this chapter,
16 except those specifically delegated, and to cooperate with all
17 agencies charged with the enforcement of the laws of the United
18 States, of this state, and all other states, relating to controlled
19 substances as defined in this chapter.

20 (b) Employees of the department of health, who are so designated
21 by the (~~board~~) commission as enforcement officers are declared to
22 be peace officers and shall be vested with police powers to enforce
23 the drug laws of this state, including this chapter.

24 NEW SECTION. **Sec. 13.** A new section is added to chapter 69.50
25 RCW to read as follows:

26 (1) With written notice to the state liquor and cannabis board, a
27 licensed marijuana business may move furniture or display cases
28 within the controlled point-of-sale areas, subject to later
29 inspection by the state liquor and cannabis board's designated
30 enforcement officers or designated employees. If such a move occurs,
31 the licensee must maintain a complete video surveillance recording
32 that allows for the clear and certain identification of any person
33 and activities in point-of-sale areas of the licensed premises, from
34 one day before the move and continuing until the board's inspection.
35 The videos must be copied and provided to the officer or employee
36 upon request. All recorded images must clearly and accurately display
37 the time and date.

1 (2) If the state liquor and cannabis board discovers the movement
2 of the furniture was made to facilitate or hide an activity that is
3 prohibited by statute or rule, it must institute an investigation and
4 take appropriate actions against the licensee.

5 **Sec. 14.** RCW 69.50.580 and 2015 2nd sp.s. c 4 s 801 are each
6 amended to read as follows:

7 (1) Applicants for a marijuana producer's, marijuana processor's,
8 marijuana researcher's or marijuana retailer's license under this
9 chapter must display a sign provided by the state liquor and cannabis
10 board on the outside of the premises to be licensed notifying the
11 public that the premises are subject to an application for such
12 license. The sign must:

13 (a) Contain text with content sufficient to notify the public of
14 the nature of the pending license application, the date of the
15 application, the name of the applicant, and contact information for
16 the state liquor and cannabis board;

17 (b) Be conspicuously displayed on, or immediately adjacent to,
18 the premises subject to the application and in the location that is
19 most likely to be seen by the public;

20 (c) Be of a size sufficient to ensure that it will be readily
21 seen by the public; and

22 (d) Be posted within seven business days of the submission of the
23 application to the state liquor and cannabis board.

24 (2)(a) The state liquor and cannabis board must adopt such rules
25 as are necessary for the implementation of this section, including
26 rules pertaining to the size of the sign and the text thereon, the
27 textual content of the sign, the fee for providing the sign, and any
28 other requirements necessary to ensure that the sign provides
29 adequate notice to the public.

30 (b) After January 1, 2019, the sign required under this section
31 must be at least sixteen hundred square inches, unless the local
32 government with jurisdiction over the licensee adopts an ordinance
33 establishing a different dimension.

34 (c) A city, town, or county may adopt an ordinance requiring the
35 applicant's sign required under this section to be larger or smaller
36 than the dimension specified in this subsection (2).

37 (3)(a) A city, town, or county may adopt an ordinance requiring
38 individual notice by an applicant for a marijuana producer's,
39 marijuana processor's, marijuana researcher's, or marijuana

1 retailer's license under this chapter, sixty days prior to issuance
2 of the license, to any elementary or secondary school, playground,
3 recreation center or facility, child care center, church, public
4 park, public transit center, library, or any game arcade admission to
5 which is not restricted to persons aged twenty-one years or older,
6 that is within one thousand feet of the perimeter of the grounds of
7 the establishment seeking licensure. The notice must provide the
8 contact information for the liquor and cannabis board where any of
9 the owners or operators of these entities may submit comments or
10 concerns about the proposed business location.

11 (b) For the purposes of this subsection, "church" means a
12 building erected for and used exclusively for religious worship and
13 schooling or other activity in connection therewith.

14 **Sec. 15.** RCW 66.08.100 and 2012 c 117 s 269 are each amended to
15 read as follows:

16 No court of the state of Washington other than the superior court
17 of Thurston county shall have jurisdiction over any action or
18 proceeding against the board or any member thereof for anything done
19 or omitted to be done in or arising out of the performance of his or
20 her or their duties under this title. Neither the board nor any
21 member or members thereof shall be personally liable in any action at
22 law for damages sustained by any person because of any acts performed
23 or done or omitted to be done by the board or any employee of the
24 board in the performance of his or her duties and in the
25 administration of this title or chapter 69.50 or 69.51A RCW.

26 **Sec. 16.** RCW 9.94A.832 and 2013 c 270 s 1 are each amended to
27 read as follows:

28 In a criminal case where:

29 (1) The defendant has been convicted of robbery in the first
30 degree or robbery in the second degree; and

31 (2) There has been a special allegation pleaded and proven beyond
32 a reasonable doubt that the defendant:

33 (a) Committed a robbery of a pharmacy as defined in RCW
34 18.64.011(~~(+21)~~) (26); or

35 (b) Committed a robbery of a business licensed under chapter
36 69.50 RCW to produce, process, research, transport, deliver, or sell
37 marijuana;

1 the court shall make a finding of fact of the special allegation, or
2 if a jury is had, the jury shall, if it finds the defendant guilty,
3 also find a special verdict as to the special allegation.

4 NEW SECTION. **Sec. 17.** This act applies prospectively only and
5 not retroactively. It applies only to causes of action that arise (if
6 change is substantive) or that are commenced (if change is
7 procedural) on or after the effective date of this section.

--- END ---