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SENATE BILL 5606

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State of Washington

65th Legislature

2017 Regular Session

By Senators Walsh, Rivers, and Cleveland

Read first time 01/31/17. Referred to Committee on Commerce, Labor & Sports.

1 AN ACT Relating to authorizing licensed marijuana producers to  
2 sell marijuana plants and marijuana seeds to qualifying medical  
3 marijuana patients and designated providers, and to sell marijuana  
4 seeds to medical marijuana cooperatives; amending RCW 69.50.325 and  
5 69.51A.250; and adding a new section to chapter 69.51A RCW.

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 regulated by  
10 the state liquor and cannabis board and subject to annual renewal.  
11 The licensee is authorized to produce: (a) Marijuana for sale at  
12 wholesale to marijuana processors and other marijuana producers ((and  
13 to produce)); (b) marijuana plants and seeds for sale to cooperatives  
14 as described under RCW 69.51A.250((, regulated by the state liquor  
15 and cannabis board and subject to annual renewal)); and (c) marijuana  
16 plants and seeds for sale to qualifying patients and designated  
17 providers as described under section 3 of this act. The production,  
18 possession, delivery, distribution, and sale of marijuana in  
19 accordance with the provisions of this chapter and the rules adopted  
20 to implement and enforce it, by a validly licensed marijuana  
21 producer, shall not be a criminal or civil offense under Washington

1 state law. Every marijuana producer's license shall be issued in the  
2 name of the applicant, shall specify the location at which the  
3 marijuana producer intends to operate, which must be within the state  
4 of Washington, and the holder thereof shall not allow any other  
5 person to use the license. The application fee for a marijuana  
6 producer's license shall be two hundred fifty dollars. The annual fee  
7 for issuance and renewal of a marijuana producer's license shall be  
8 one thousand dollars. A separate license shall be required for each  
9 location at which a marijuana producer intends to produce marijuana.

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

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

1 to operate, which must be within the state of Washington, and the  
2 holder thereof shall not allow any other person to use the license.  
3 The application fee for a marijuana retailer's license shall be two  
4 hundred fifty dollars. The annual fee for issuance and renewal of a  
5 marijuana retailer's license shall be one thousand dollars. A  
6 separate license shall be required for each location at which a  
7 marijuana retailer intends to sell marijuana concentrates, useable  
8 marijuana, and marijuana-infused products.

9 **Sec. 2.** RCW 69.51A.250 and 2016 c 170 s 2 are each amended to  
10 read as follows:

11 (1) Qualifying patients or designated providers may form a  
12 cooperative and share responsibility for acquiring and supplying the  
13 resources needed to produce and process marijuana only for the  
14 medical use of members of the cooperative. No more than four  
15 qualifying patients or designated providers may become members of a  
16 cooperative under this section and all members must hold valid  
17 recognition cards. All members of the cooperative must be at least  
18 twenty-one years old. The designated provider of a qualifying patient  
19 who is under twenty-one years old may be a member of a cooperative on  
20 the qualifying patient's behalf. All plants grown in the cooperative  
21 must be purchased or cloned from a plant purchased from a licensed  
22 marijuana producer as defined in RCW 69.50.101. Cooperatives may also  
23 purchase marijuana seeds from a licensed marijuana producer.

24 (2) Qualifying patients and designated providers who wish to form  
25 a cooperative must register the location with the state liquor and  
26 cannabis board and this is the only location where cooperative  
27 members may grow or process marijuana. This registration must include  
28 the names of all participating members and copies of each  
29 participant's recognition card. Only qualifying patients or  
30 designated providers registered with the state liquor and cannabis  
31 board in association with the location may participate in growing or  
32 receive useable marijuana or marijuana-infused products grown at that  
33 location.

34 (3) No cooperative may be located in any of the following areas:

35 (a) Within one mile of a marijuana retailer;

36 (b) Within the smaller of either:

37 (i) One thousand feet of the perimeter of the grounds of any  
38 elementary or secondary school, playground, recreation center or  
39 facility, child care center, public park, public transit center,

1 library, or any game arcade that admission to which is not restricted  
2 to persons aged twenty-one years or older; or  
3 (ii) The area restricted by ordinance, if the cooperative is  
4 located in a city, county, or town that has passed an ordinance  
5 pursuant to RCW 69.50.331(8); or  
6 (c) Where prohibited by a city, town, or county zoning provision.  
7 (4) The state liquor and cannabis board must deny the  
8 registration of any cooperative if the location does not comply with  
9 the requirements set forth in subsection (3) of this section.  
10 (5) If a qualifying patient or designated provider no longer  
11 participates in growing at the location, he or she must notify the  
12 state liquor and cannabis board within fifteen days of the date the  
13 qualifying patient or designated provider ceases participation. The  
14 state liquor and cannabis board must remove his or her name from  
15 connection to the cooperative. Additional qualifying patients or  
16 designated providers may not join the cooperative until sixty days  
17 have passed since the date on which the last qualifying patient or  
18 designated provider notifies the state liquor and cannabis board that  
19 he or she no longer participates in that cooperative.  
20 (6) Qualifying patients or designated providers who participate  
21 in a cooperative under this section:  
22 (a) May grow up to the total amount of plants for which each  
23 participating member is authorized on their recognition cards, up to  
24 a maximum of sixty plants. At the location, the qualifying patients  
25 or designated providers may possess the amount of useable marijuana  
26 that can be produced with the number of plants permitted under this  
27 subsection, but no more than seventy-two ounces;  
28 (b) May only participate in one cooperative;  
29 (c) May only grow plants in the cooperative and if he or she  
30 grows plants in the cooperative may not grow plants elsewhere;  
31 (d) Must provide assistance in growing plants. A monetary  
32 contribution or donation is not to be considered assistance under  
33 this section. Participants must provide nonmonetary resources and  
34 labor in order to participate; and  
35 (e) May not sell, donate, or otherwise provide marijuana,  
36 marijuana concentrates, useable marijuana, or marijuana-infused  
37 products to a person who is not participating under this section.  
38 (7) The location of the cooperative must be the domicile of one  
39 of the participants. Only one cooperative may be located per property

1 tax parcel. A copy of each participant's recognition card must be  
2 kept at the location at all times.

3 (8) The state liquor and cannabis board may adopt rules to  
4 implement this section including:

5 (a) Any security requirements necessary to ensure the safety of  
6 the cooperative and to reduce the risk of diversion from the  
7 cooperative;

8 (b) A seed to sale traceability model that is similar to the seed  
9 to sale traceability model used by licensees that will allow the  
10 state liquor and cannabis board to track all marijuana grown in a  
11 cooperative.

12 (9) The state liquor and cannabis board or law enforcement may  
13 inspect a cooperative registered under this section to ensure members  
14 are in compliance with this section. The state liquor and cannabis  
15 board must adopt rules on reasonable inspection hours and reasons for  
16 inspections.

17 NEW SECTION. **Sec. 3.** A new section is added to chapter 69.51A  
18 RCW to read as follows:

19 Qualifying patients and designated providers may purchase  
20 marijuana plants or clones from a marijuana plant from a licensed  
21 marijuana producer as defined in RCW 69.50.101. Qualifying patients  
22 and designated providers may also purchase marijuana seeds from a  
23 licensed marijuana producer.

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