HOUSE BILL 1238

State of Washington 66th Legislature 2019 Regular Session

By Representatives Reeves, Blake, and Appleton

Read first time 01/17/19. Referred to Committee on Commerce & Gaming.

- 1 AN ACT Relating to authorizing marijuana retailers to sell
- 2 certain products and merchandise; amending RCW 69.50.342, 69.50.345,
- 3 and 66.04.010; and reenacting and amending RCW 69.50.357 and
- 4 69.50.101.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 Sec. 1. RCW 69.50.357 and 2017 c 317 s 13 and 2017 c 131 s 1 are each reenacted and amended to read as follows:
- 8 (1)(a) Retail outlets may not sell products or services other 9 than:
- 10 (i) Marijuana concentrates $((\tau))_{\dot{i}}$
- 11 (ii) Useable marijuana((τ));
- 12 <u>(iii) Marijuana-infused products((, or));</u>
- 13 (iv) Any CBD products from: (A) A marijuana producer or processor
- 14 as provided under RCW 69.50.326, or (B) a manufacturer who sells and
- 15 markets its products outside the regulatory framework;
- 16 (v) Marijuana merchandise;
- 17 <u>(vi) P</u>araphernalia intended for the storage or use of marijuana
- 18 concentrates, useable marijuana, or marijuana-infused products; or
- 19 (vii) Other products not intended for consumption.
- 20 (b)(i) Retail outlets may receive lockable boxes, intended for
- 21 the secure storage of marijuana products and paraphernalia, and

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related literature as a donation from another person or entity, that is not a marijuana producer, processor, or retailer, for donation to their customers.

- (ii) Retail outlets may donate the lockable boxes and provide the related literature to any person eligible to purchase marijuana products under subsection (2) of this section. Retail outlets may not use the donation of lockable boxes or literature as an incentive or as a condition of a recipient's purchase of a marijuana product or paraphernalia.
- 10 (iii) Retail outlets may also purchase and sell lockable boxes, 11 provided that the sales price is not less than the cost of 12 acquisition.
 - (2) Licensed marijuana retailers may not employ persons under twenty-one years of age or allow persons under twenty-one years of age to enter or remain on the premises of a retail outlet. However, qualifying patients between eighteen and twenty-one years of age with a recognition card may enter and remain on the premises of a retail outlet holding a medical marijuana endorsement and may purchase products for their personal medical use. Qualifying patients who are under the age of eighteen with a recognition card and who accompany their designated providers may enter and remain on the premises of a retail outlet holding a medical marijuana endorsement, but may not purchase products for their personal medical use.
 - (3)(a) Licensed marijuana retailers must ensure that all employees are trained on the rules adopted to implement this chapter, identification of persons under the age of twenty-one, and other requirements adopted by the ((state liquor and cannabis)) board to ensure that persons under the age of twenty-one are not permitted to enter or remain on the premises of a retail outlet.
 - (b) Licensed marijuana retailers with a medical marijuana endorsement must ensure that all employees are trained on the subjects required by (a) of this subsection as well as identification of authorizations and recognition cards. Employees must also be trained to permit qualifying patients who hold recognition cards and are between the ages of eighteen and twenty-one to enter the premises and purchase marijuana for their personal medical use and to permit qualifying patients who are under the age of eighteen with a recognition card to enter the premises if accompanied by their designated providers.

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

- (5) The ((state liquor and cannabis)) board must fine a licensee one thousand dollars for each violation of any subsection of this section. Fines collected under this section must be deposited into the dedicated marijuana account created under RCW 69.50.530.
- Sec. 2. RCW 69.50.342 and 2015 2nd sp.s. c 4 s 1601 are each amended to read as follows:
- (1) For the purpose of carrying into effect the provisions of chapter 3, Laws of 2013 according to their true intent or of supplying any deficiency therein, the ((state liquor and cannabis)) board may adopt rules not inconsistent with the spirit of chapter 3, Laws of 2013 as are deemed necessary or advisable. Without limiting the generality of the preceding sentence, the ((state liquor and cannabis)) board is empowered to adopt rules regarding the following:
- (a) The equipment and management of retail outlets and premises where marijuana is produced or processed, and inspection of the retail outlets and premises where marijuana is produced or processed;
- (b) The books and records to be created and maintained by licensees, the reports to be made thereon to the ((state liquor and cannabis)) board, and inspection of the books and records;
- (c) Methods of producing, processing, and packaging marijuana, useable marijuana, marijuana concentrates, and marijuana-infused products; conditions of sanitation; safe handling requirements; approved pesticides and pesticide testing requirements; and standards of ingredients, quality, and identity of marijuana, useable marijuana, marijuana concentrates, and marijuana-infused products produced, processed, packaged, or sold by licensees;
- (d) Security requirements for retail outlets and premises where marijuana is produced or processed, and safety protocols for licensees and their employees;
- 35 (e) Screening, hiring, training, and supervising employees of 36 licensees;
 - (f) Retail outlet locations and hours of operation;
- 38 (g) Labeling requirements and restrictions on advertisement of 39 marijuana, useable marijuana, marijuana concentrates, cannabis health

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1 and beauty aids, and marijuana-infused products for sale in retail outlets;

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- (h) Retail product design and marketing standards for marijuana merchandise and other products sold by licensed retailers;
- (i) Forms to be used for purposes of this chapter and chapter 69.51A RCW or the rules adopted to implement and enforce these chapters, the terms and conditions to be contained in licenses issued under this chapter and chapter 69.51A RCW, and the qualifications for receiving a license issued under this chapter and chapter 69.51A RCW, including a criminal history record information check. The ((state liquor and cannabis)) board may submit any criminal history record information check to the Washington state patrol and to the identification division of the federal bureau of investigation in order that these agencies may search their records for prior arrests 14 and convictions of the individual or individuals who filled out the forms. The ((state liquor and cannabis)) board must require fingerprinting of any applicant whose criminal history record information check is submitted to the federal bureau of investigation;
 - $((\frac{1}{2}))$ (i) Application, reinstatement, and renewal fees for licenses issued under this chapter and chapter 69.51A RCW, and fees for anything done or permitted to be done under the rules adopted to implement and enforce this chapter and chapter 69.51A RCW;
 - $((\frac{1}{2}))$ (k) The manner of giving and serving notices required by this chapter and chapter 69.51A RCW or rules adopted to implement or enforce these chapters;
 - $((\frac{k}{k}))$ (1) Times and periods when, and the manner, methods, and means by which, licensees transport and deliver marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products within the state;
 - $((\frac{1}{1}))$ (m) Identification, seizure, confiscation, destruction, donation to law enforcement for training purposes of all marijuana, marijuana concentrates, useable marijuana, and marijuanainfused products produced, processed, sold, or offered for sale within this state which do not conform in all respects to the standards prescribed by this chapter or chapter 69.51A RCW or the rules adopted to implement and enforce these chapters.
- (2) Rules adopted on retail outlets holding medical marijuana 38 39 endorsements must be adopted in coordination and consultation with 40 the department.

p. 4 HB 1238 1 **Sec. 3.** RCW 69.50.345 and 2018 c 43 s 2 are each amended to read 2 as follows:

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- The ((state liquor and cannabis)) board, subject to the provisions of this chapter, must adopt rules that establish the procedures and criteria necessary to implement the following:
- (1) Licensing of marijuana producers, marijuana processors, and marijuana retailers, including prescribing forms and establishing application, reinstatement, and renewal fees.
- (a) Application forms for marijuana producers must request the applicant to state whether the applicant intends to produce marijuana for sale by marijuana retailers holding medical marijuana endorsements and the amount of or percentage of canopy the applicant intends to commit to growing plants determined by the department under RCW 69.50.375 to be of a THC concentration, CBD concentration, or THC to CBD ratio appropriate for marijuana concentrates, useable marijuana, or marijuana-infused products sold to qualifying patients.
- (b) The ((state liquor and cannabis)) board must reconsider and increase limits on the amount of square feet permitted to be in production on July 24, 2015, and increase the percentage production space for those marijuana producers who intend to grow plants for marijuana retailers holding medical marijuana endorsements if the marijuana producer designates the increased production space to plants determined by the department under RCW 69.50.375 to be of a THC concentration, CBD concentration, or THC to CBD ratio appropriate for marijuana concentrates, useable marijuana, or marijuana-infused products to be sold to qualifying patients. If current marijuana producers do not use all the increased production space, the ((state liquor and cannabis)) board may reopen the license period for new marijuana producer license applicants but only to those marijuana producers who agree to grow plants for marijuana retailers holding medical marijuana endorsements. Priority in licensing must be given to marijuana producer license applicants who have an application pending on July 24, 2015, but who are not yet licensed and then to new marijuana producer license applicants. After January 1, 2017, any reconsideration of the limits on the amount of square feet permitted to be in production to meet the medical needs of qualifying patients must consider information contained in the medical marijuana authorization database established in RCW 69.51A.230;

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- (2) Determining, in consultation with the office of financial management, the maximum number of retail outlets that may be licensed in each county, taking into consideration:
 - (a) Population distribution;

- (b) Security and safety issues;
- (c) The provision of adequate access to licensed sources of marijuana concentrates, useable marijuana, and marijuana-infused products to discourage purchases from the illegal market; and
- (d) The number of retail outlets holding medical marijuana endorsements necessary to meet the medical needs of qualifying patients. The ((state liquor and cannabis)) board must reconsider and increase the maximum number of retail outlets it established before July 24, 2015, and allow for a new license application period and a greater number of retail outlets to be permitted in order to accommodate the medical needs of qualifying patients and designated providers. After January 1, 2017, any reconsideration of the maximum number of retail outlets needed to meet the medical needs of qualifying patients must consider information contained in the medical marijuana authorization database established in RCW 69.51A.230;
- (3) Determining the maximum quantity of marijuana a marijuana producer may have on the premises of a licensed location at any time without violating Washington state law;
- (4) Determining the maximum quantities of marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products a marijuana processor may have on the premises of a licensed location at any time without violating Washington state law;
- (5) Determining the maximum quantities of marijuana concentrates, useable marijuana, and marijuana-infused products a marijuana retailer may have on the premises of a retail outlet at any time without violating Washington state law;
- (6) In making the determinations required by this section, the ((state liquor and cannabis)) board shall take into consideration:
 - (a) Security and safety issues;
- (b) The provision of adequate access to licensed sources of marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products to discourage purchases from the illegal market; and
- (c) Economies of scale, and their impact on licensees' ability to both comply with regulatory requirements and undercut illegal market prices;

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- 1 (7) Determining the nature, form, and capacity of all containers 2 to be used by licensees to contain marijuana, marijuana concentrates, 3 useable marijuana, and marijuana-infused products, and their labeling 4 requirements, to include but not be limited to:
- 5 (a) The business or trade name and Washington state unified 6 business identifier number of the licensees that produced and 7 processed the marijuana, marijuana concentrates, useable marijuana, 8 or marijuana-infused product;
- 9 (b) Lot numbers of the marijuana, marijuana concentrates, useable 10 marijuana, or marijuana-infused product;
- 11 (c) THC concentration and CBD concentration of the marijuana, 12 marijuana concentrates, useable marijuana, or marijuana-infused 13 product;
 - (d) Medically and scientifically accurate information about the health and safety risks posed by marijuana use; and
 - (e) Language required by RCW 69.04.480;

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- (8) In consultation with the department of agriculture and the department, establishing classes of marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products according to grade, condition, cannabinoid profile, THC concentration, CBD concentration, or other qualitative measurements deemed appropriate by the ((state liquor and cannabis)) board;
- (9) Establishing reasonable time, place, and manner restrictions and requirements regarding advertising of marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products that are not inconsistent with the provisions of this chapter, taking into consideration:
- 28 (a) Federal laws relating to marijuana that are applicable within 29 Washington state;
- 30 (b) Minimizing exposure of people under twenty-one years of age 31 to the advertising;
 - (c) The inclusion of medically and scientifically accurate information about the health and safety risks posed by marijuana use in the advertising; and
 - (d) Ensuring that retail outlets with medical marijuana endorsements may advertise themselves as medical retail outlets;
- 37 (10) Establishing retail product design and marketing standards
 38 to ensure that marijuana merchandise and other products sold by
 39 marijuana retailers are not intended to appeal to minors or otherwise
 40 encourage marijuana use by minors;

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(11) Specifying and regulating the time and periods when, and the manner, methods, and means by which, licensees shall transport and deliver marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products within the state;

(((11))) (12) In consultation with the department and the department of agriculture, establishing accreditation requirements for testing laboratories used by licensees to demonstrate compliance with standards adopted by the ((state liquor and cannabis)) board, and prescribing methods of producing, processing, and packaging marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products; conditions of sanitation; and standards of ingredients, quality, and identity of marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products produced, processed, packaged, or sold by licensees;

(((12))) <u>(13)</u> Specifying procedures for identifying, seizing, confiscating, destroying, and donating to law enforcement for training purposes all marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products produced, processed, packaged, labeled, or offered for sale in this state that do not conform in all respects to the standards prescribed by this chapter or the rules of the ((state liquor and cannabis)) board.

Sec. 4. RCW 66.04.010 and 2015 c 193 s 3 are each amended to 23 read as follows:

In this title, unless the context otherwise requires:

- (1) "Alcohol" is that substance known as ethyl alcohol, hydrated oxide of ethyl, or spirit of wine, which is commonly produced by the fermentation or distillation of grain, starch, molasses, or sugar, or other substances including all dilutions and mixtures of this substance. The term "alcohol" does not include alcohol in the possession of a manufacturer or distiller of alcohol fuel, as described in RCW 66.12.130, which is intended to be denatured and used as a fuel for use in motor vehicles, farm implements, and machines or implements of husbandry.
 - (2) "Authorized representative" means a person who:
- 35 (a) Is required to have a federal basic permit issued pursuant to 36 the federal alcohol administration act, 27 U.S.C. Sec. 204;
- 37 (b) Has its business located in the United States outside of the 38 state of Washington;

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(c) Acquires ownership of beer or wine for transportation into and resale in the state of Washington; and which beer or wine is produced by a brewery or winery in the United States outside of the state of Washington; and

- (d) Is appointed by the brewery or winery referenced in (c) of this subsection as its authorized representative for marketing and selling its products within the United States in accordance with a written agreement between the authorized representative and such brewery or winery pursuant to this title.
- (3) "Beer" means any malt beverage, flavored malt beverage, or malt liquor as these terms are defined in this chapter.
 - (4) "Beer distributor" means a person who buys beer from a domestic brewery, microbrewery, beer certificate of approval holder, or beer importers, or who acquires foreign produced beer from a source outside of the United States, for the purpose of selling the same pursuant to this title, or who represents such brewer or brewery as agent.
 - (5) "Beer importer" means a person or business within Washington who purchases beer from a beer certificate of approval holder or who acquires foreign produced beer from a source outside of the United States for the purpose of selling the same pursuant to this title.
- (6) "Board" means the liquor ((control)) and cannabis board, constituted under this title.
 - (7) "Brewer" or "brewery" means any person engaged in the business of manufacturing beer and malt liquor. Brewer includes a brand owner of malt beverages who holds a brewer's notice with the federal bureau of alcohol, tobacco, and firearms at a location outside the state and whose malt beverage is contract-produced by a licensed in-state brewery, and who may exercise within the state, under a domestic brewery license, only the privileges of storing, selling to licensed beer distributors, and exporting beer from the state.
- (8) "Club" means an organization of persons, incorporated or unincorporated, operated solely for fraternal, benevolent, educational, athletic, or social purposes, and not for pecuniary gain.
- 37 (9) "Confection" means a preparation of sugar, honey, or other 38 natural or artificial sweeteners in combination with chocolate, 39 fruits, nuts, dairy products, or flavorings, in the form of bars, 40 drops, or pieces.

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- 1 (10) "Consume" includes the putting of liquor to any use, whether 2 by drinking or otherwise.
- 3 (11) "Contract liquor store" means a business that sells liquor 4 on behalf of the board through a contract with a contract liquor 5 store manager.
- 6 (12) "Craft distillery" means a distillery that pays the reduced 7 licensing fee under RCW 66.24.140.
- 8 (13) "Dentist" means a practitioner of dentistry duly and 9 regularly licensed and engaged in the practice of his or her 10 profession within the state pursuant to chapter 18.32 RCW.
- 11 (14) "Distiller" means a person engaged in the business of 12 distilling spirits.
- 13 (15) "Domestic brewery" means a place where beer and malt liquor 14 are manufactured or produced by a brewer within the state.
- 15 (16) "Domestic winery" means a place where wines are manufactured 16 or produced within the state of Washington.
 - (17) "Drug store" means a place whose principal business is, the sale of drugs, medicines, and pharmaceutical preparations and maintains a regular prescription department and employs a registered pharmacist during all hours the drug store is open.
 - (18) "Druggist" means any person who holds a valid certificate and is a registered pharmacist and is duly and regularly engaged in carrying on the business of pharmaceutical chemistry pursuant to chapter 18.64 RCW.
 - (19) "Employee" means any person employed by the board.
 - (20) "Flavored malt beverage" means:

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- (a) A malt beverage containing six percent or less alcohol by volume to which flavoring or other added nonbeverage ingredients are added that contain distilled spirits of not more than forty-nine percent of the beverage's overall alcohol content; or
- (b) A malt beverage containing more than six percent alcohol by volume to which flavoring or other added nonbeverage ingredients are added that contain distilled spirits of not more than one and one-half percent of the beverage's overall alcohol content.
 - (21) "Fund" means 'liquor revolving fund.'
- (22) "Hotel" means buildings, structures, and grounds, having facilities for preparing, cooking, and serving food, that are kept, used, maintained, advertised, or held out to the public to be a place where food is served and sleeping accommodations are offered for pay to transient guests, in which twenty or more rooms are used for the

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sleeping accommodation of such transient guests. The buildings, structures, and grounds must be located on adjacent property either owned or leased by the same person or persons.

- (23) "Importer" means a person who buys distilled spirits from a distillery outside the state of Washington and imports such spirituous liquor into the state for sale to the board or for export.
 - (24) "Imprisonment" means confinement in the county jail.
- (25) "Liquor" includes the four varieties of liquor herein defined (alcohol, spirits, wine, and beer), and all fermented, spirituous, vinous, or malt liquor, or combinations thereof, and mixed liquor, a part of which is fermented, spirituous, vinous or malt liquor, or otherwise intoxicating; and every liquid or solid or semisolid or other substance, patented or not, containing alcohol, spirits, wine, or beer, and all drinks or drinkable liquids and all preparations or mixtures capable of human consumption, and any liquid, semisolid, solid, or other substance, which contains more than one percent of alcohol by weight shall be conclusively deemed to be intoxicating. Liquor does not include confections or food products that contain one percent or less of alcohol by weight.
 - (26) "Malt beverage" or "malt liquor" means any beverage such as beer, ale, lager beer, stout, and porter obtained by the alcoholic fermentation of an infusion or decoction of pure hops, or pure extract of hops and pure barley malt or other wholesome grain or cereal in pure water containing not more than eight percent of alcohol by weight, and not less than one-half of one percent of alcohol by volume. For the purposes of this title, any such beverage containing more than eight percent of alcohol by weight shall be referred to as "strong beer."
- 29 (27) "Manufacturer" means a person engaged in the preparation of 30 liquor for sale, in any form whatsoever.
- 31 (28) "Nightclub" means an establishment that provides 32 entertainment and has as its primary source of revenue (a) the sale 33 of alcohol for consumption on the premises, (b) cover charges, or (c) 34 both.
- 35 (29) "Package" means any container or receptacle used for holding 36 liquor.
- 37 (30) "Passenger vessel" means any boat, ship, vessel, barge, or 38 other floating craft of any kind carrying passengers for 39 compensation.

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- 1 (31) "Permit" means a permit for the purchase of liquor under 2 this title.
- 3 (32) "Person" means an individual, copartnership, association, or 4 corporation.

- (33) "Physician" means a medical practitioner duly and regularly licensed and engaged in the practice of his or her profession within the state pursuant to chapter 18.71 RCW.
- (34) "Powdered alcohol" means any powder or crystalline substance containing alcohol that is produced for direct use or reconstitution.
- (35) "Prescription" means a memorandum signed by a physician and given by him or her to a patient for the obtaining of liquor pursuant to this title for medicinal purposes.
- (36) "Public place" includes streets and alleys of incorporated cities and towns; state or county or township highways or roads; buildings and grounds used for school purposes; public dance halls and grounds adjacent thereto; those parts of establishments where beer may be sold under this title, soft drink establishments, public buildings, public meeting halls, lobbies, halls and dining rooms of hotels, restaurants, theatres, stores, garages and filling stations which are open to and are generally used by the public and to which the public is permitted to have unrestricted access; railroad trains, stages, and other public conveyances of all kinds and character, and the depots and waiting rooms used in conjunction therewith which are open to unrestricted use and access by the public; publicly owned bathing beaches, parks, and/or playgrounds; and all other places of like or similar nature to which the general public has unrestricted right of access, and which are generally used by the public.
- (37) "Regulations" means regulations made by the board under the powers conferred by this title.
- (38) "Restaurant" means any establishment provided with special space and accommodations where, in consideration of payment, food, without lodgings, is habitually furnished to the public, not including drug stores and soda fountains.
- (39) "Sale" and "sell" include exchange, barter, and traffic; and also include the selling or supplying or distributing, by any means whatsoever, of liquor, or of any liquid known or described as beer or by any name whatever commonly used to describe malt or brewed liquor or of wine, by any person to any person; and also include a sale or selling within the state to a foreign consignee or his or her agent in the state. "Sale" and "sell" shall not include the giving, at no

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- charge, of a reasonable amount of liquor by a person not licensed by the board to a person not licensed by the board, for personal use only. "Sale" and "sell" also does not include a raffle authorized under RCW 9.46.0315: PROVIDED, That the nonprofit organization conducting the raffle has obtained the appropriate permit from the board.
- 7 (40) "Service bar" means a fixed or portable table, counter, 8 cart, or similar workstation primarily used to prepare, mix, serve, 9 and sell alcohol that is picked up by employees or customers. 10 Customers may not be seated or allowed to consume food or alcohol at 11 a service bar.
- 12 (41) "Soda fountain" means a place especially equipped with 13 apparatus for the purpose of dispensing soft drinks, whether mixed or 14 otherwise.
- 15 (42) "Spirits" means any beverage which contains alcohol obtained 16 by distillation, except flavored malt beverages, but including wines 17 exceeding twenty-four percent of alcohol by volume.
- 18 (43) "Store" means a state liquor store established under this 19 title.

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- (44) "Tavern" means any establishment with special space and accommodation for sale by the glass and for consumption on the premises, of beer, as herein defined.
- (45) "VIP airport lounge" means an establishment within an international airport located beyond security checkpoints that provides a special space to sit, relax, read, work, and enjoy beverages where access is controlled by the VIP airport lounge operator and is generally limited to the following classifications of persons:
- 29 (a) Airline passengers of any age whose admission is based on a 30 first-class, executive, or business class ticket;
 - (b) Airline passengers of any age who are qualified members or allowed guests of certain frequent flyer or other loyalty incentive programs maintained by airlines that have agreements describing the conditions for access to the VIP airport lounge;
 - (c) Airline passengers of any age who are qualified members or allowed guests of certain enhanced amenities programs maintained by companies that have agreements describing the conditions for access to the VIP airport lounge;
- 39 (d) Airport and airline employees, government officials, foreign 40 dignitaries, and other attendees of functions held by the airport

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authority or airlines related to the promotion of business objectives such as increasing international air traffic and enhancing foreign trade where access to the VIP airport lounge will be controlled by the VIP airport lounge operator; and

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- (e) Airline passengers of any age or airline employees whose admission is based on a pass issued or permission given by the airline for access to the VIP airport lounge.
 - (46) "VIP airport lounge operator" means an airline, port district, or other entity operating a VIP airport lounge that: Is accountable for compliance with the alcohol beverage control act under this title; holds the license under chapter 66.24 RCW issued to the VIP airport lounge; and provides a point of contact for addressing any licensing and enforcement by the board.
- (47)(a) "Wine" means any alcoholic beverage obtained by fermentation of fruits (grapes, berries, apples, et cetera) or other agricultural product containing sugar, to which any saccharine substances may have been added before, during or after fermentation, and containing not more than twenty-four percent of alcohol by volume, including sweet wines fortified with wine spirits, such as port, sherry, muscatel, and angelica, not exceeding twenty-four percent of alcohol by volume and not less than one-half of one percent of alcohol by volume. For purposes of this title, any beverage containing no more than fourteen percent of alcohol by volume when bottled or packaged by the manufacturer shall be referred to as "table wine," and any beverage containing alcohol in an amount more than fourteen percent by volume when bottled or packaged by the manufacturer shall be referred to as "fortified wine." However, "fortified wine" shall not include: (i) Wines that are both sealed or capped by cork closure and aged two years or more; and (ii) wines that contain more than fourteen percent alcohol by volume solely as a result of the natural fermentation process and that have not been produced with the addition of wine spirits, brandy, or alcohol.
- (b) This subsection shall not be interpreted to require that any wine be labeled with the designation "table wine" or "fortified wine."
- (48) "Wine distributor" means a person who buys wine from a domestic winery, wine certificate of approval holder, or wine importer, or who acquires foreign produced wine from a source outside of the United States, for the purpose of selling the same not in

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violation of this title, or who represents such vintner or winery as agent.

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- (49) "Wine importer" means a person or business within Washington who purchases wine from a wine certificate of approval holder or who acquires foreign produced wine from a source outside of the United States for the purpose of selling the same pursuant to this title.
- 7 (50) "Winery" means a business conducted by any person for the 8 manufacture of wine for sale, other than a domestic winery.
- 9 **Sec. 5.** RCW 69.50.101 and 2018 c 132 s 2 are each reenacted and 10 amended to read as follows:
- 11 The definitions in this section apply throughout this chapter 12 unless the context clearly requires otherwise.
- 13 (a) "Administer" means to apply a controlled substance, whether 14 by injection, inhalation, ingestion, or any other means, directly to 15 the body of a patient or research subject by:
- 16 (1) a practitioner authorized to prescribe (or, by the 17 practitioner's authorized agent); or
 - (2) the patient or research subject at the direction and in the presence of the practitioner.
 - (b) "Agent" means an authorized person who acts on behalf of or at the direction of a manufacturer, distributor, or dispenser. It does not include a common or contract carrier, public warehouseperson, or employee of the carrier or warehouseperson.
- (c) "CBD concentration" has the meaning provided in RCW 69.51A.010.
- 26 (d) "CBD product" means any product containing or consisting of cannabidiol.
 - (e) "Commission" means the pharmacy quality assurance commission.
- (f) "Controlled substance" means a drug, substance, or immediate precursor included in Schedules I through V as set forth in federal or state laws, or federal or commission rules, but does not include industrial hemp as defined in RCW 15.120.010.
 - (g) (1) "Controlled substance analog" means a substance the chemical structure of which is substantially similar to the chemical structure of a controlled substance in Schedule I or II and:
- (i) that has a stimulant, depressant, or hallucinogenic effect on the central nervous system substantially similar to the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance included in Schedule I or II; or

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- (ii) with respect to a particular individual, that the individual represents or intends to have a stimulant, depressant, or hallucinogenic effect on the central nervous system substantially similar to the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance included in Schedule I or II.
 - (2) The term does not include:
 - (i) a controlled substance;

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- 9 (ii) a substance for which there is an approved new drug 10 application;
- (iii) a substance with respect to which an exemption is in effect for investigational use by a particular person under Section 505 of the federal food, drug, and cosmetic act, 21 U.S.C. Sec. 355, or chapter 69.77 RCW to the extent conduct with respect to the substance is pursuant to the exemption; or
- 16 (iv) any substance to the extent not intended for human 17 consumption before an exemption takes effect with respect to the 18 substance.
- 19 (h) "Deliver" or "delivery" means the actual or constructive 20 transfer from one person to another of a substance, whether or not 21 there is an agency relationship.
 - (i) "Department" means the department of health.
- 23 (j) "Designated provider" has the meaning provided in RCW 24 69.51A.010.
 - (k) "Dispense" means the interpretation of a prescription or order for a controlled substance and, pursuant to that prescription or order, the proper selection, measuring, compounding, labeling, or packaging necessary to prepare that prescription or order for delivery.
 - (1) "Dispenser" means a practitioner who dispenses.
- 31 (m) "Distribute" means to deliver other than by administering or 32 dispensing a controlled substance.
 - (n) "Distributor" means a person who distributes.
- 34 (o) "Drug" means (1) a controlled substance recognized as a drug 35 in the official United States pharmacopoeia/national formulary or the 36 official homeopathic pharmacopoeia of the United States, or any 37 supplement to them; (2) controlled substances intended for use in the 38 diagnosis, cure, mitigation, treatment, or prevention of disease in 39 individuals or animals; (3) controlled substances (other than food) 40 intended to affect the structure or any function of the body of

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- individuals or animals; and (4) controlled substances intended for use as a component of any article specified in (1), (2), or (3) of this subsection. The term does not include devices or their components, parts, or accessories.
 - (p) "Drug enforcement administration" means the drug enforcement administration in the United States Department of Justice, or its successor agency.
 - (q) "Electronic communication of prescription information" means the transmission of a prescription or refill authorization for a drug of a practitioner using computer systems. The term does not include a prescription or refill authorization verbally transmitted by telephone nor a facsimile manually signed by the practitioner.
- 13 (r) "Immature plant or clone" means a plant or clone that has no 14 flowers, is less than twelve inches in height, and is less than 15 twelve inches in diameter.
 - (s) "Immediate precursor" means a substance:

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- (1) that the commission has found to be and by rule designates as being the principal compound commonly used, or produced primarily for use, in the manufacture of a controlled substance;
- (2) that is an immediate chemical intermediary used or likely to be used in the manufacture of a controlled substance; and
- 22 (3) the control of which is necessary to prevent, curtail, or 23 limit the manufacture of the controlled substance.
 - (t) "Isomer" means an optical isomer, but in subsection (ff) (5) of this section, RCW 69.50.204(a) (12) and (34), and 69.50.206(b) (4), the term includes any geometrical isomer; in RCW 69.50.204(a) (8) and (42), and 69.50.210(c) the term includes any positional isomer; and in RCW 69.50.204(a) (35), 69.50.204(c), and 69.50.208(a) the term includes any positional or geometric isomer.
 - (u) "Lot" means a definite quantity of marijuana, marijuana concentrates, useable marijuana, or marijuana-infused product identified by a lot number, every portion or package of which is uniform within recognized tolerances for the factors that appear in the labeling.
 - (v) "Lot number" must identify the licensee by business or trade name and Washington state unified business identifier number, and the date of harvest or processing for each lot of marijuana, marijuana concentrates, useable marijuana, or marijuana-infused product.
 - (w) "Manufacture" means the production, preparation, propagation, compounding, conversion, or processing of a controlled substance,

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- either directly or indirectly or by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling or relabeling of its container. The term does not include the preparation, compounding, packaging, repackaging, labeling, or relabeling of a controlled substance:
 - (1) by a practitioner as an incident to the practitioner's administering or dispensing of a controlled substance in the course of the practitioner's professional practice; or

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- (2) by a practitioner, or by the practitioner's authorized agent under the practitioner's supervision, for the purpose of, or as an incident to, research, teaching, or chemical analysis and not for sale.
- (x) "Marijuana" or "marihuana" means all parts of the plant Cannabis, whether growing or not, with a THC concentration greater than 0.3 percent on a dry weight basis; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. The term does not include:
- (1) The mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination; or
 - (2) Industrial hemp as defined in RCW 15.120.010.
- (y) "Marijuana concentrates" means products consisting wholly or in part of the resin extracted from any part of the plant *Cannabis* and having a THC concentration greater than ten percent.
- (z) "Marijuana processor" means a person licensed by the ((state liquor and cannabis)) board to process marijuana into marijuana concentrates, useable marijuana, and marijuana-infused products, package and label marijuana concentrates, useable marijuana, and marijuana-infused products for sale in retail outlets, and sell marijuana concentrates, useable marijuana, and marijuana-infused products at wholesale to marijuana retailers.
- 38 (aa) "Marijuana producer" means a person licensed by the ((state 39 liquor and cannabis)) board to produce and sell marijuana at 40 wholesale to marijuana processors and other marijuana producers.

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- 1 (bb) "Marijuana products" means useable marijuana, marijuana 2 concentrates, and marijuana-infused products as defined in this 3 section.
 - (cc) "Marijuana researcher" means a person licensed by the ((state liquor and cannabis)) board to produce, process, and possess marijuana for the purposes of conducting research on marijuana and marijuana-derived drug products.
 - (dd) "Marijuana retailer" means a person licensed by the ((state liquor and cannabis)) board to sell marijuana concentrates, useable marijuana, and marijuana-infused products in a retail outlet.
 - (ee) "Marijuana-infused products" means products that contain marijuana or marijuana extracts, are intended for human use, are derived from marijuana as defined in subsection (x) of this section, and have a THC concentration no greater than ten percent. The term "marijuana-infused products" does not include either useable marijuana or marijuana concentrates.
 - (ff) "Narcotic drug" means any of the following, whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis:
 - (1) Opium, opium derivative, and any derivative of opium or opium derivative, including their salts, isomers, and salts of isomers, whenever the existence of the salts, isomers, and salts of isomers is possible within the specific chemical designation. The term does not include the isoquinoline alkaloids of opium.
 - (2) Synthetic opiate and any derivative of synthetic opiate, including their isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the isomers, esters, ethers, and salts is possible within the specific chemical designation.
 - (3) Poppy straw and concentrate of poppy straw.
- 32 (4) Coca leaves, except coca leaves and extracts of coca leaves 33 from which cocaine, ecgonine, and derivatives or ecgonine or their 34 salts have been removed.
 - (5) Cocaine, or any salt, isomer, or salt of isomer thereof.
- 36 (6) Cocaine base.

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- 37 (7) Ecgonine, or any derivative, salt, isomer, or salt of isomer 38 thereof.
- 39 (8) Any compound, mixture, or preparation containing any quantity 40 of any substance referred to in subparagraphs (1) through (7).

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- (gg) "Opiate" means any substance having an addiction-forming or addiction-sustaining liability similar to morphine or being capable of conversion into a drug having addiction-forming or addiction-sustaining liability. The term includes opium, substances derived from opium (opium derivatives), and synthetic opiates. The term does not include, unless specifically designated as controlled under RCW 69.50.201, the dextrorotatory isomer of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan). The term includes the racemic and levorotatory forms of dextromethorphan.
- 10 (hh) "Opium poppy" means the plant of the species Papaver 11 somniferum L., except its seeds.
 - (ii) "Person" means individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or any other legal or commercial entity.
 - (jj) "Plant" has the meaning provided in RCW 69.51A.010.
- 17 (kk) "Poppy straw" means all parts, except the seeds, of the 18 opium poppy, after mowing.
 - (ll) "Practitioner" means:

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- (1) A physician under chapter 18.71 RCW; a physician assistant under chapter 18.71A RCW; an osteopathic physician and surgeon under chapter 18.57 RCW; an osteopathic physician assistant under chapter 18.57A RCW who is licensed under RCW 18.57A.020 subject to any limitations in RCW 18.57A.040; an optometrist licensed under chapter 18.53 RCW who is certified by the optometry board under RCW 18.53.010 subject to any limitations in RCW 18.53.010; a dentist under chapter 18.32 RCW; a podiatric physician and surgeon under chapter 18.22 RCW; a veterinarian under chapter 18.92 RCW; a registered nurse, advanced registered nurse practitioner, or licensed practical nurse under chapter 18.79 RCW; a naturopathic physician under chapter 18.36A RCW who is licensed under RCW 18.36A.030 subject to any limitations in RCW 18.36A.040; a pharmacist under chapter 18.64 RCW or a scientific investigator under this chapter, licensed, registered or otherwise permitted insofar as is consistent with those licensing laws to distribute, dispense, conduct research with respect to or administer a controlled substance in the course of their professional practice or research in this state.
- 38 (2) A pharmacy, hospital or other institution licensed, 39 registered, or otherwise permitted to distribute, dispense, conduct

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research with respect to or to administer a controlled substance in the course of professional practice or research in this state.

- (3) A physician licensed to practice medicine and surgery, a physician licensed to practice osteopathic medicine and surgery, a dentist licensed to practice dentistry, a podiatric physician and surgeon licensed to practice podiatric medicine and surgery, a licensed physician assistant or a licensed osteopathic physician assistant specifically approved to prescribe controlled substances by his or her state's medical quality assurance commission or equivalent and his or her supervising physician, an advanced registered nurse practitioner licensed to prescribe controlled substances, or a veterinarian licensed to practice veterinary medicine in any state of the United States.
- (mm) "Prescription" means an order for controlled substances issued by a practitioner duly authorized by law or rule in the state of Washington to prescribe controlled substances within the scope of his or her professional practice for a legitimate medical purpose.
- 18 (nn) "Production" includes the manufacturing, planting, 19 cultivating, growing, or harvesting of a controlled substance.
- 20 (oo) "Qualifying patient" has the meaning provided in RCW 21 69.51A.010.
- 22 (pp) "Recognition card" has the meaning provided in RCW 23 69.51A.010.
 - (qq) "Retail outlet" means a location licensed by the ((state liquor and cannabis)) board for the retail sale of marijuana concentrates, useable marijuana, and marijuana-infused products.
 - (rr) "Secretary" means the secretary of health or the secretary's designee.
 - (ss) "State," unless the context otherwise requires, means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or insular possession subject to the jurisdiction of the United States.
 - (tt) "THC concentration" means percent of delta-9 tetrahydrocannabinol content per dry weight of any part of the plant *Cannabis*, or per volume or weight of marijuana product, or the combined percent of delta-9 tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant *Cannabis* regardless of moisture content.
- (uu) "Ultimate user" means an individual who lawfully possesses a controlled substance for the individual's own use or for the use of a

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1 member of the individual's household or for administering to an 2 animal owned by the individual or by a member of the individual's 3 household.

- (vv) "Useable marijuana" means dried marijuana flowers. The term "useable marijuana" does not include either marijuana-infused products or marijuana concentrates.
 - (ww) "Board" means the liquor and cannabis board.

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- 8 (xx) "Marijuana merchandise" means wearable appared that serves
 9 to promote or advertise the retail outlet, or a product line sold by
 10 the retail outlet, and that has labeling affixed to the wearable
 11 appared that includes:
- 12 <u>(1) The retail outlet's name, logo, or other symbol associated</u> 13 <u>with the retail outlet; or</u>
- 14 (2) A name, logo, or other symbol associated with a product line 15 sold by the retail outlet.

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