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HOUSE BILL 1963

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State of Washington

66th Legislature

2019 Regular Session

By Representative MacEwen

Read first time 02/08/19. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to financial arrangements regarding licensed  
2 marijuana businesses; amending RCW 69.50.395; and adding new sections  
3 to chapter 69.50 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 69.50  
6 RCW to read as follows:

7 An employee of a licensed marijuana business whose employment  
8 compensation includes an annual salary, hourly wage, or other base  
9 pay, in combination with a commission component, is not considered an  
10 applicant, owner, or true party of interest of the licensee solely  
11 because of the amount or value of the commission paid to the employee  
12 or the fact that the employment agreement includes commission-based  
13 compensation. There is no limitation on the amount or value of  
14 commission, whether determined in relation to the licensed business  
15 or entity's gross or net profits or otherwise, that an employee of a  
16 licensed marijuana business may receive under the terms of an  
17 employment agreement. Nothing in this section authorizes an employee  
18 to own a licensed marijuana business or entity unless the employee  
19 meets the application requirements under RCW 69.50.331 and this  
20 chapter.

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

3        (1) A person who is a financier of a licensed marijuana business  
4    but who does not have an ownership interest in the licensed business  
5    may, as determined by the liquor and cannabis board:

6        (a) Be subject to a financial investigation to determine the  
7    source of the money provided to or to be provided to the licensee;  
8    and

9        (b) Be subject to a criminal history record information check.

10       (2) A spouse of a financier identified in subsection (1) of this  
11    section is not subject to either a financial investigation or a  
12    criminal history record information check under this chapter solely  
13    because the person is the financier's spouse.

14       (3) For purposes of this section, "financier" means any person or  
15    entity, other than a banking institution, who provides money as a  
16    gift or loans money to the applicant or licensed marijuana business  
17    or entity and expects to be paid back the amount of the loan with or  
18    without reasonable interest.

19       **Sec. 3.**    RCW 69.50.395 and 2017 c 317 s 16 are each amended to  
20    read as follows:

21       (1) A licensed marijuana business may enter into a licensing  
22    agreement, or consulting contract, with any individual, partnership,  
23    employee cooperative, association, nonprofit corporation, or  
24    corporation, for:

25       (a) Any goods or services that are registered as a trademark  
26    under federal law or under chapter 19.77 RCW;

27       (b) Any unregistered trademark, trade name, or trade dress; or

28       (c) Any trade secret, technology, or proprietary information used  
29    to manufacture a cannabis product or used to provide a service  
30    related to a marijuana business.

31       (2) (a) All agreements or contracts entered into by a licensed  
32    marijuana business, as authorized under this section, must be  
33    disclosed to the ((state)) liquor and cannabis board.

34       (b) This section does not require approval by the liquor and  
35    cannabis board of any agreement or contract entered into by a  
36    licensed marijuana business and disclosed to the board under this  
37    section, except for:

38       (i) An agreement or contract for consulting services provided to  
39    a licensed marijuana business; and

1        (ii) An agreement or contract covering employment services of an  
2 employee of the licensed marijuana business that is subject to this  
3 section.

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