SENATE BILL 5276

State of Washington 66th Legislature 2019 Regular Session

By Senators Ericksen, Takko, and Wellman

Read first time 01/16/19. Referred to Committee on Agriculture, Water, Natural Resources & Parks.

- AN ACT Relating to authorizing hemp production in conformance 1
- 2 with the agriculture improvement act of 2018; amending
- 3 15.120.005, 15.120.010, 15.120.020, and 15.120.030; reenacting and
- amending RCW 69.50.101; and repealing RCW 15.120.035, 15.120.040, 4
- 5 15.120.050, and 15.120.060.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 7 Sec. 1. RCW 15.120.005 and 2016 sp.s. c 11 s 1 are each amended to read as follows:
- 8
- legislature intends to authorize the 9 The growing
- ((industrial)) hemp as a legal, agricultural activity in ((this)) the 10
- 11 state ((as part of an agricultural pilot program)) of Washington in
- conformance with the ((agricultural)) agriculture improvement act of 12
- ((2014, 128 Stat. 912 § 7606, P.L. 113-79 (Feb. 7, 2014))) 2018, P.L. 13
- 14 115-334.
- 15 Sec. 2. RCW 15.120.010 and 2016 sp.s. c 11 s 2 are each amended
- 16 to read as follows:
- 17 The definitions in this section apply throughout this chapter
- unless the context clearly requires otherwise. 18
- 19 (1)"Department" means the Washington state department

20 agriculture.

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1 (2) (("Grower" means any person licensed to grow industrial hemp 2 under this chapter.

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- (3) "Industrial hemp" means all parts and varieties of the genera Cannabis, cultivated or possessed by a grower, whether growing or not, that contain a THC concentration of 0.3 percent or less by dry weight. Industrial hemp does not include plants of the genera Cannabis that meet the definition of "marijuana" as defined in RCW 69.50.101.
- 9 (4) "Industrial hemp research program" means an agricultural
 10 pilot program to study the growth, cultivation, or marketing of
 11 industrial hemp supervised by the department.
- (5)) "Hemp" means the plant Cannabis sativa L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis.
- 17 <u>(3)</u> "Person" means any natural person, firm, partnership, 18 association, private or public corporation, government entity, or 19 other business entity.
- (((6) "THC concentration" means the percent of total tetrahydrocannabinol, which is the combined percent of delta-9 tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the genera Cannabis.))
- 24 **Sec. 3.** RCW 15.120.020 and 2016 sp.s. c 11 s 3 are each amended 25 to read as follows:
 - ((Except as otherwise provided in this chapter, industrial)) Hemp is an agricultural product that may be grown, produced, possessed, processed, and exchanged in the state ((solely and exclusively as part of an industrial hemp research program supervised by the department)) of Washington pursuant to a plan approved under the agriculture improvement act of 2018. Processing any part of ((industrial)) hemp, except seed, as food, extract, oil, cake, concentrate, resin, or other preparation for topical use, oral consumption, or inhalation by humans is prohibited.
- 35 **Sec. 4.** RCW 15.120.030 and 2016 sp.s. c 11 s 4 are each amended to read as follows:
- 37 (1) The department shall ((adopt rules pursuant to this chapter 38 and chapter 34.05 RCW as necessary to license persons to grow hemp

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1 under an industrial hemp research program. The rules must include,
2 but are not limited to:

- (a) Fee amounts for license application, issuance, and renewal;
- (b) Testing criteria and protocols for testing compliance with THC levels; and
- (c) Grower qualifications. Grower qualifications include, at a minimum, that a person with a prior felony drug conviction within ten years of applying for a license not be eligible for the license. The department shall adopt by rule the persons in associations, corporations, and other business entities to be qualified under this felony drug conviction limitation)) submit a plan to the United States secretary of agriculture under which the state of Washington will monitor and regulate the production of hemp, pursuant to the agriculture improvement act of 2018. The plan must include:
- 15 <u>(a) All elements required for such plans under the agriculture</u> 16 improvement act of 2018;
 - (b) A requirement that any person growing hemp must submit global positioning system information to the department identifying the location of land where hemp will be grown;
 - (c) A requirement that any person growing hemp must submit to having plant samples tested by the department at the nearest appropriate testing facility before harvest if the person intends to sell the hemp outside Washington;
 - (d) A requirement for an administrative license fee system under which a person growing hemp must pay an annual license fee to the department: The fee for one acre or less is a flat fee of ten dollars; the fee for more than one acre up to five acres is a flat fee of twenty dollars; the fee for more than five acres up to twenty-five acres is a flat fee of one hundred fifty dollars; the fee for more than twenty-five acres is a fee of seven dollars per acre;
 - (e) A requirement that a person growing hemp must notify the department of the source of the seed, solely for the purpose of keeping an official record of the sources of seed being used for hemp production in Washington; and
 - (f) A requirement that any plant sample which, when tested by the department, exceeds the maximum tetrahydrocannabinol concentration for hemp under RCW 15.120.010 must be retested at a different testing facility before any enforcement action may be taken.
- 39 (2) The department may adopt rules for administration of ((an industrial hemp research program, including the goals of the

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- 1 program)) the plan approved under this chapter in conformance with 2 the agriculture improvement act of 2018.
- 3 (3) The department may adopt rules for administration of (($\frac{an}{an}$ 4 $\frac{an}{an}$)) $\frac{a}{a}$ hemp seed certification program pursuant to chapter 15.49 RCW.
- 6 (4) All requirements in this section are subject to the 7 availability of amounts appropriated for the specific purposes 8 described.
- 9 (5) All moneys collected by the department under this chapter
 10 must be deposited in an account within the agricultural local fund
 11 and used solely for carrying out the requirements of this chapter. No
 12 appropriation is required for disbursement of moneys from the account
 13 by the director of the department.
- Sec. 5. RCW 69.50.101 and 2018 c 132 s 2 are each reenacted and amended to read as follows:
- The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
- 18 (a) "Administer" means to apply a controlled substance, whether 19 by injection, inhalation, ingestion, or any other means, directly to 20 the body of a patient or research subject by:
- 21 (1) a practitioner authorized to prescribe (or, by the 22 practitioner's authorized agent); or
- 23 (2) the patient or research subject at the direction and in the 24 presence of the practitioner.

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- (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.
- 29 (c) "CBD concentration" has the meaning provided in RCW 30 69.51A.010.
- 31 (d) "CBD product" means any product containing or consisting of 32 cannabidiol.
 - (e) "Commission" means the pharmacy quality assurance commission.
- 34 (f) "Controlled substance" means a drug, substance, or immediate 35 precursor included in Schedules I through V as set forth in federal 36 or state laws, or federal or commission rules, but does not include 37 ((industrial)) hemp as defined in RCW 15.120.010.

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- 1 (g)(1) "Controlled substance analog" means a substance the 2 chemical structure of which is substantially similar to the chemical 3 structure of a controlled substance in Schedule I or II and:
- 4 (i) that has a stimulant, depressant, or hallucinogenic effect on 5 the central nervous system substantially similar to the stimulant, 6 depressant, or hallucinogenic effect on the central nervous system of 7 a controlled substance included in Schedule I or II; or
- 8 (ii) with respect to a particular individual, that the individual 9 represents or intends to have a stimulant, depressant, or 10 hallucinogenic effect on the central nervous system substantially 11 similar to the stimulant, depressant, or hallucinogenic effect on the 12 central nervous system of a controlled substance included in Schedule 13 I or II.
 - (2) The term does not include:
 - (i) a controlled substance;

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- 16 (ii) a substance for which there is an approved new drug 17 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
- (iv) any substance to the extent not intended for human consumption before an exemption takes effect with respect to the substance.
 - (h) "Deliver" or "delivery" means the actual or constructive transfer from one person to another of a substance, whether or not there is an agency relationship.
 - (i) "Department" means the department of health.
- 30 (j) "Designated provider" has the meaning provided in RCW 31 69.51A.010.
- 32 (k) "Dispense" means the interpretation of a prescription or 33 order for a controlled substance and, pursuant to that prescription 34 or order, the proper selection, measuring, compounding, labeling, or 35 packaging necessary to prepare that prescription or order for 36 delivery.
 - (1) "Dispenser" means a practitioner who dispenses.
- 38 (m) "Distribute" means to deliver other than by administering or 39 dispensing a controlled substance.
- 40 (n) "Distributor" means a person who distributes.

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(o) "Drug" means (1) a controlled substance recognized as a drug in the official United States pharmacopoeia/national formulary or the official homeopathic pharmacopoeia of the United States, or any supplement to them; (2) controlled substances intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in individuals or animals; (3) controlled substances (other than food) intended to affect the structure or any function of the body of 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.
- (r) "Immature plant or clone" means a plant or clone that has no flowers, is less than twelve inches in height, and is less than twelve inches in diameter.
 - (s) "Immediate precursor" means a substance:
- (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
- 29 (3) the control of which is necessary to prevent, curtail, or 30 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.
- 37 (u) "Lot" means a definite quantity of marijuana, marijuana 38 concentrates, useable marijuana, or marijuana-infused product 39 identified by a lot number, every portion or package of which is

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1 uniform within recognized tolerances for the factors that appear in 2 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, 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
- (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.
- 39 (z) "Marijuana processor" means a person licensed by the state 40 liquor and cannabis board to process marijuana into marijuana

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

- 9 (bb) "Marijuana products" means useable marijuana, marijuana 10 concentrates, and marijuana-infused products as defined in this 11 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 marijuanaderived 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.

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- 1 (4) Coca leaves, except coca leaves and extracts of coca leaves 2 from which cocaine, ecgonine, and derivatives or ecgonine or their 3 salts have been removed.
 - (5) Cocaine, or any salt, isomer, or salt of isomer thereof.
 - (6) Cocaine base.

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- 6 (7) Ecgonine, or any derivative, salt, isomer, or salt of isomer 7 thereof.
- 8 (8) Any compound, mixture, or preparation containing any quantity 9 of any substance referred to in subparagraphs (1) through (7).
 - (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.
- 19 (hh) "Opium poppy" means the plant of the species Papaver 20 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.
- 26 (kk) "Poppy straw" means all parts, except the seeds, of the 27 opium poppy, after mowing.
 - (11) "Practitioner" means:
 - (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

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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.

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- (2) A pharmacy, hospital or other institution licensed, registered, or otherwise permitted to distribute, dispense, conduct 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.
- 26 (nn) "Production" includes the manufacturing, planting, 27 cultivating, growing, or harvesting of a controlled substance.
- 28 (oo) "Qualifying patient" has the meaning provided in RCW 29 69.51A.010.
- 30 (pp) "Recognition card" has the meaning provided in RCW 31 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.
- 35 (rr) "Secretary" means the secretary of health or the secretary's designee.
- 37 (ss) "State," unless the context otherwise requires, means a 38 state of the United States, the District of Columbia, the 39 Commonwealth of Puerto Rico, or a territory or insular possession 40 subject to the jurisdiction of the United States.

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(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.

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- (uu) "Ultimate user" means an individual who lawfully possesses a controlled substance for the individual's own use or for the use of a member of the individual's household or for administering to an animal owned by the individual or by a member of the individual's household.
- 12 (vv) "Useable marijuana" means dried marijuana flowers. The term 13 "useable marijuana" does not include either marijuana-infused 14 products or marijuana concentrates.
- 15 <u>NEW SECTION.</u> **Sec. 6.** The following acts or parts of acts are 16 each repealed:
- 17 (1) RCW 15.120.035 (Rule-making authority—Monetary penalties, 18 license suspension or forfeiture, other sanctions—Rules to be 20 consistent with section 7606 of federal agricultural act of 2014) and 20 2017 c 317 s 10;
- 21 (2) RCW 15.120.040 (Industrial hemp research program—Established 22 —Licensure—Seed certification program—Permission/waiver from 23 appropriate federal entity) and 2016 sp.s. c 11 s 5;
- 24 (3) RCW 15.120.050 (Application form—Fee—Licensure—Renewal— 25 Record of license forwarded to county sheriff—Public disclosure 26 exemption) and 2016 sp.s. c 11 s 6; and
- 27 (4) RCW 15.120.060 (Sales and transfers of industrial hemp 28 produced for processing—Department and state liquor and cannabis 29 board to study feasibility and practicality of implementing 30 legislatively authorized regulatory framework) and 2017 c 317 s 9.

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